

HOUSING ELEMENT AND FAIR SHARE PLAN

Washington Borough
Warren County, New Jersey

June 2019

Adopted by the Land Use Board on July 8, 2019

Prepared By:



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The original of this report was signed and
sealed in accordance with N.J.S.A. 45:14A-12



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Table of Contents

PART 1: HOUSING ELEMENT	5
INTRODUCTION	5
Washington Borough's History of Affordable Housing	6
PLANNING FOR AFFORDABLE HOUSING	7
MUNICIPAL SUMMARY	9
DEMOGRAPHIC CHARACTERISTICS.....	10
Population	10
Population Composition by Age	10
Households.....	11
Income.....	13
Poverty Status	14
Household Costs.....	15
EXISTING HOUSING CONDITIONS	16
Housing Unit Data	16
Housing Type and Size	17
Occupancy	19
Housing Values and Contract Rents.....	20
Housing Conditions.....	22
EMPLOYMENT DATA	22
Employment Status.....	24
Class of Worker and Occupation.....	25
Commuting to Work.....	26
Covered Employment	27
In-Borough Establishments and Employees by Industry: 2017	28
Probable Future Employment Opportunities.....	29
PART 2: FAIR SHARE PLAN	30
INTRODUCTION	30
SUITABILITY ANALYSIS	31
PRESENT NEED.....	31
PRIOR ROUND OBLIGATION (1987-1999)	32
ROUND 3 NEED.....	32
USE OF SURPLUS CREDITS	36
SUMMARY OF FAIR SHARE COMPLIANCE	38
ADDITIONAL REQUIREMENTS.....	39

Appendix A- Executed Court Order

Appendix B- Settlement Agreement between Borough of Washington and Fair Share Housing Center

Appendix C- Settlement Agreement between Borough of Washington and Washington Ventures Entities

Appendix D- Rehabilitation Inventory

Appendix E- Westgate Apartments Documentation

Appendix F- Gardeners Court Documentation

Appendix G- Town Center Project Documentation

Appendix H- Habitat for Humanity Documentation (Block 100 Lot 41)

Appendix I- Habitat for Humanity Documentation (Block 69 Lot 12, 13, 14, and 16)

Appendix J- Habitat for Humanity Documentation (Block 68 Lot 2)

Appendix K- Concept Plan included with Washington Ventures Settlement Agreement

PART 1: HOUSING ELEMENT

INTRODUCTION

The need to provide a realistic opportunity for the construction of affordable housing in New Jersey, the country's most densely populated state, has been recognized for decades. In the case of Southern Burlington County NAACP v. the Township of Mount Laurel 67 N.J. 151 (1975), (commonly known as Mount Laurel I), the New Jersey Supreme Court established the doctrine that municipalities in New Jersey have a constitutional obligation to zone for a variety and choice of housing types that would be affordable to low- and moderate-income households. In Southern Burlington County NAACP v. Township of Mount Laurel, 92 N.J. 158, 456 A.2d 390 (1983), decided on January 20, 1983 (commonly known as Mount Laurel II), the Supreme Court expanded the Mount Laurel doctrine by determining that each New Jersey municipality was required to create a realistic opportunity for the construction of housing affordable to low- and moderate-income households sufficient to meet its "fair share" of the need for affordable housing. As a result, municipalities were required to address a fair share of the regional need for affordable housing. In response to the threat of "builder's remedy" lawsuits endorsed by the Mount Laurel II decision, the New Jersey Legislature adopted the Fair Housing Act (FHA) in 1985 (N.J.S.A. 52:270-301, et seq.). The FHA established the Council on Affordable Housing (COAH) as an administrative alternative to builder's remedy lawsuits and the concomitant jurisdiction of the courts. COAH was given the responsibility of dividing the state into housing regions, determining regional and municipal fair share affordable housing obligations, and adopting regulations that would establish the guidelines and approaches that municipalities may use in addressing their affordable housing need.

In 2008, the Legislature amended the FHA to add requirements for very-low-income housing. Very-low-income households are those in which the gross household income is 30% or less than the region's median household income. Low-income households are those with incomes no greater than 50 percent of the region's median household income. Moderate-income households are those with incomes no greater than 80 percent and no less than 50 percent of the region's median household income. Each is adjusted for household size and is in relation to the median gross income of the housing region in which the municipality is located.

This Housing Element and Fair Share Plan for Washington Borough has been prepared in accordance with applicable law. Moreover, the Borough filed a declaratory judgment action pursuant to In re Adoption of N.J.A.C. 5:96 & 5:97 by the N.J. Council on Affordable Housing, 221 N.J. 1 (2015) ("Mount Laurel IV"). In this decision (decided March 10, 2015), the Supreme Court

held that since COAH was no longer functioning, trial courts were to resume their role as the forum of first instance for evaluating municipal compliance with Mount Laurel obligations, and also established a transitional process for municipalities to seek temporary immunity and ultimately a Judgment of Compliance and Repose ("JOR") or the "judicial equivalent" of Substantive Certification from COAH.

WASHINGTON BOROUGH'S HISTORY OF AFFORDABLE HOUSING

Washington Borough has a long history of compliance with COAH's regulations. The Borough received First Round certification on May 20, 1987. Subsequently, the Borough petitioned COAH for Second Round Certification on January 17, 1995 and received substantive certification on June 7, 1995, with an extended certification date of February 9, 2005. The Borough's Second Round Certification expired on December 20, 2005.

The Borough also participated in the Third Round Certification process. The Borough Planning Board adopted a Third Round Housing Element and Fair Share Plan on November 9, 2009. Washington Borough then petitioned COAH on January 6, 2010, and was deemed complete on April 16, 2010. However, the Borough did not receive Third Round Certification as the Third Round Rules were invalidated by the Court.

In response to Mount Laurel IV, the Borough filed a declaratory judgment action ("Action") on July 1, 2015 (Docket No. WRN-L-230-15). In an Order filed on August 25, 2015, the Borough was granted temporary immunity from builder's remedy actions and continues to have immunity as of the adoption of this Plan.

On November 6, 2015, property owners Washington Station Venture, LP and Washington Venture Investment, Ltd. (collectively the "Washington Venture Entities") was granted leave to intervene in the Borough's Action. Fair Share Housing Center (FSHC) is also a participating party in the Action in accordance with Mount Laurel IV. A settlement agreement with FSHC was executed on December 10, 2018 ("Settlement Agreement"). See Appendix B. A settlement agreement with Washington Ventures Entities was executed on October 9, 2018, amended via Rider dated December 18, 2018 ("Washington Ventures Agreement"). See Appendix C.

A Fairness Hearing was held on December 20, 2018 at which time the Court approved the Settlement Agreement between the Borough and FSHC and the Settlement Agreement between the Borough and the Washington Venture Entities and deemed the agreements fair and reasonable and that they adequately protect the interest of low- and moderate-income households. An Order was issued by the Honorable Thomas C. Miller, P.J. Civ. on January 23, 2019. See Appendix A.

Prior to a Compliance Hearing, the Borough must satisfy the conditions set forth in the January 23, 2019 Court Order. One such condition is the preparation and adoption of a Housing Element and Fair Share Plan. The following Housing Element and Fair Share Plan effectuates the Settlement Agreements between the Borough and FSHC and the Borough and Washington Ventures Entities that were approved by the Court.

PLANNING FOR AFFORDABLE HOUSING

Pursuant to both the FHA (N.J.S.A. 52:27D-310, et seq.) and the Municipal Land Use Law (MLUL) (N.J.S.A. 40:55D-28), municipalities in New Jersey are required to include a housing element in their master plans. The principal purpose of the housing element is to describe the specific, intended methods that a municipality plans to use in order to meet its low- and moderate-income housing needs. Further, the housing element is meant to demonstrate the existing zoning or planned zoning changes that will allow for the provision of adequate capacity to accommodate household and employment growth projections, to achieve the goal of access to affordable housing for present and future populations. The statutorily required contents of the housing element are:

- a. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low- and moderate-income households and substandard housing capable of being rehabilitated;
- b. A projection of the municipality's housing stock, including the probable future construction of low- and moderate-income housing, for ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
- c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. A determination of the municipality's present and prospective fair share for low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low- and moderate-income housing; and
- f. A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for low- and moderate-income housing, including a consideration of

lands of developers who have expressed a commitment to provide low and moderate income housing.

MUNICIPAL SUMMARY

Washington Borough is a 2.0 square mile developed community located in northwest New Jersey in the County of Warren. The Borough is surrounded entirely by Washington Township. The Borough is bisected by State Routes 31 and 57. The Borough can be characterized as a rural municipality and, according to the State Development and Redevelopment Plan (SDRP), is located in Rural Planning Area 4 and Rural Environmentally Sensitive Planning Area 4b. Washington Borough was designated a Town Center in 1999.

According to the 2010 Census, Washington Borough's population was 6,461, which represents a decrease of 3.7 percent from 2000. The U.S. Census Bureau 2013-2017 American Community Survey (ACS) estimates a total population in 2017 of 6,517. In 2010, the median age was 38.3 years and the average household size was 2.46 persons.

The housing stock of the Borough is predominantly single-family detached dwelling units. Approximately 67 percent of the housing stock is older than fifty years. According to the guidelines established by COAH, the Borough is located in Housing Region 2, a region that consists of Essex, Morris, Union, and Warren counties. Based on the 2019 Regional Income Limits, the median income in Region 2 for a four-person household is \$100,767, the moderate-income is \$80,614, the low-income is \$50,384, and the very-low-income level is \$30,230.

According to the Settlement Agreement with FSHC, the Borough has a Rehabilitation Share of 69 units, Prior Round Obligation of 0 units, and a Third Round (1999-2025) Obligation of 42 units.

The Borough will fully address its obligations through the following mechanisms:

- Rehabilitation Program
- Existing and Proposed Units/Credits
- Amendment to the Downtown Redevelopment Plan

Washington Borough is a developed community with virtually no vacant developable land other than the Washington Venture Entities site. Therefore, no sites were considered. More importantly, the Borough was able to fully meet its Prior Round and Third Round obligation with existing credit worthy units. The one site which has not been constructed but has been approved by the Planning Board (Towne Center) is available, approvable, developable and suitable as detailed in the body of the Fair Share Plan.

DEMOGRAPHIC CHARACTERISTICS

Population

The population trends experienced in Washington Borough, Warren County, and the State of New Jersey from 1930 through 2010 are shown below, as well as the 2017 population estimate from the U.S. Census Bureau American Community Survey. There were 6,461 residents in Washington Borough in 2010, which was a decrease of 251 people, or 3.7 percent, from 2000. The 2017 population estimate, however, shows a slight increase to 6,517 persons. Washington Borough has primarily experienced steady growth over the past 80 years with a decrease in population from 2000 to 2010. The largest and most significant increase in population occurred during the 1950s when population within the Borough increased by 19.2 percent from 1950 to 1960. Warren County and the State have also experienced continued growth since 1930. Similar to Washington Borough, both the County and State experienced their largest growth in the 1950s.

Population Trends									
Year	Washington Borough			Warren County			New Jersey		
	Population	Change		Population	Change		Population	Change	
		Number	Percent		Number	Percent		Number	Percent
1930	4,410	-	-	49,319	-	-	4,041,334	-	-
1940	4,643	233	5.3%	50,181	862	1.7%	4,160,165	118,831	2.9%
1950	4,802	159	3.4%	54,374	4,193	8.4%	4,835,329	675,164	16.2%
1960	5,723	921	19.2%	63,220	8,846	16.3%	6,066,782	1,231,453	25.5%
1970	5,943	220	3.8%	73,960	10,740	17.0%	7,171,112	1,104,330	18.2%
1980	6,429	486	8.2%	84,429	10,469	14.2%	7,365,011	193,899	2.7%
1990	6,474	45	0.7%	91,607	7,178	8.5%	7,730,188	365,177	5.0%
2000	6,712	238	3.7%	102,437	10,830	11.8%	8,414,350	684,162	8.9%
2010	6,461	-251	-3.7%	108,692	6,255	6.1%	8,791,894	377,544	4.5%
2017 Estimates	6,517	51	0.8%	107,088	-138	-0.1%	8,960,161	55,748	0.6%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Population Composition by Age

The median age of the residents in Washington Borough in 2010 was 38.3 years. Analysis of age group characteristics provides insight into the actual changes in population. This comparison is helpful in determining the impacts these changes have on housing needs, community facilities and services for the municipality. As detailed in the following table, the entire composition of Washington Borough experienced notable shifts since 2000. The most significant increase was in the 55 to 64 age cohort, which saw an increase of 52.7 percent. The most significant decrease was in the 35 to 44 age cohort (-21.7%).

Population by Age 2000 and 2010, Washington Borough						
Population	2000		2010		Change, 2000 to 2010	
	Number	Percent	Number	Percent	Number	Percent
Total population	6,712	100.0%	6,461	100.0%	-251	-3.7%
Under 5 years	420	6.3%	415	6.4%	-5	-1.2%
5 to 14	1,031	15.4%	828	12.8%	-203	-19.7%
15 to 24	847	12.6%	845	13.1%	-2	-0.2%
25 to 34	958	14.3%	824	12.8%	-134	-14.0%
35 to 44	1,326	19.8%	1,038	16.1%	-288	-21.7%
45 to 54	944	14.1%	1,084	16.8%	140	14.8%
55 to 64	488	7.3%	745	11.5%	257	52.7%
65 and over	698	10.4%	682	10.6%	-16	-2.3%

Source: U.S. Census Bureau, 2000 and 2010

Warren County experienced population fluctuation as well. The most significant increase was also in the 55 to 64 age cohort, which grew by 51.7 percent. Significant increases were also seen in the 45 to 54 age cohort (28.4%) and 15 to 24 age cohort (25.6%). The two most significant decreases were experienced in the 25 to 34 (-18.5) and 35 to 44 age cohorts (-18.3%).

Population by Age 2000 and 2010, Warren County						
Population	2000		2010		Change, 2000 to 2010	
	Number	Percent	Number	Percent	Number	Percent
Total population	102,437	100.0%	108,692	100.0%	6,255	6.1%
Under 5 years	7,032	6.9%	6,084	5.6%	-948	-13.5%
5 to 14	15,424	15.1%	14,725	13.5%	-699	-4.5%
15 to 24	10,695	10.4%	13,434	12.4%	2,739	25.6%
25 to 34	13,089	12.8%	10,671	9.8%	-2,418	-18.5%
35 to 44	18,947	18.5%	15,484	14.2%	-3,463	-18.3%
45 to 54	14,929	14.6%	19,174	17.6%	4,245	28.4%
55 to 64	9,115	8.9%	13,828	12.7%	4,713	51.7%
65 and over	13,206	12.9%	15,292	14.1%	2,086	15.8%

Source: U.S. Census Bureau, 2000 and 2010

Households

A household is defined as one or more persons, either related or not, living together in a housing unit. In 2010 there was a total of 2,623 households in Washington Borough. Roughly 60 percent of the households were occupied by two persons or less. The average household size of the Borough in 2010 was 2.46, less than that of the County's average of 2.57. Both the Borough's and the County's largest most common households were one- and two-person households. For the Borough, one-person households were the most common (30.2%), followed by two-person

households (29.9%). The opposite is true for the County; the most common household size was the two-person household (33.1, followed by one-person households (25.0%).

Household Size – Occupied Housing Units Washington Borough and Warren County, 2010				
	Washington Borough		Warren County	
	Number	Percent	Number	Percent
Total Households	2,623	100.0%	41480	100.0%
1-person household	793	30.2%	10382	25.0%
2-person household	783	29.9%	13731	33.1%
3-person household	435	16.6%	6847	16.5%
4-person household	373	14.2%	6405	15.4%
5-person household	160	6.1%	2734	6.6%
6-person household	59	2.2%	924	2.2%
7-or-more-person household	20	0.8%	457	1.1%
Average Household Size	2.46		2.57	

Source: U.S. Census Bureau, 2010

Family households are defined as two or more persons living in the same household, related by blood, marriage or adoption. They do not include same-sex married couples. Most households in the Borough in 2010 were family households, comprising 63.6 percent of all households. The average family size was 3.1 persons. Approximately 47 percent of the married-couple families within the Borough had children under the age of 18. Roughly 30 percent of the households were one-person households, with female householders representing 53.5 percent and male householders representing 46.5 percent.

In providing more detail of American households, the 2010 Census includes the sub-groups of non-traditional households: Other family and Non-family households. "Other" family households made up 17.3 percent of all households, of which 69 percent were female households with no husband present, and 31 percent were male with no wife present. "Non-family" households are defined as households that consist of a householder living alone or sharing the home exclusively with people to whom he/she is not related. Non-family households comprised approximately 36.4 percent of all households in the Borough.

Household Size and Type Washington Borough, 2010		
	Total	Percent
Total Households	2,623	100.0%
1 person household	793	30.2%
Male householder	369	14.1%
Female householder	424	16.2%
2 or more person household	1,830	69.8%
Family households	1,669	63.6%
Husband-Wife Family	1,214	46.3%
With own children under 18 years	568	21.7%
Other Family	455	17.3%
Male householder, no wife present	141	5.4%
With own children under 18 years	73	2.8%
Female householder, no husband present	314	12.0%
With own children under 18 years	170	6.5%
Nonfamily Households	954	36.4%
Male householder	454	17.3%
Female householder	500	19.1%
Average Family Size	3.09	

Source: U.S. Census Bureau, 2010

Income

As measured in 2017, Washington Borough had a lower median household income compared to Warren County and the State of New Jersey. In 2017, the median income in Washington Borough was \$64,282, roughly \$11,268 less than that of the County and \$12,193 less than the State's median income.

Per Capita and Household Income, 2017 Estimates		
	2017 Per Capita Income	2017 Median Household Income
Washington Borough	\$33,755	\$64,282
Warren County	\$37,001	\$75,550
New Jersey	\$39,069	\$76,475

Source: 2013-2017 American Community Survey 5-Year Estimates

In 2017, roughly 66 percent of all households in the Borough earned \$50,000 or more, with the largest percentage (22.1%) earning \$100,000 to \$149,999. This percentage was followed by those households that earned \$75,000 to \$99,999 (20.7%) and finally those who earned \$50,000 to \$74,999 (15.5%). About 19 percent of households earned less than \$35,000. In Warren County, the most

common income bracket was the \$50,000 to \$74,999 range with roughly 18.1 percent of households earning that much, followed closely by the \$100,00 to \$149,999 bracket (18.0%). Roughly 22 percent of households in the County earned less than \$35,000.

Household Income Washington Borough and Warren County, 2017 Estimates				
	Washington Borough		Warren County	
	Number	Percent	Number	Percent
Total Households	2,643	100.0%	41,385	100.0%
Less than \$10,000	57	0.4%	1,414	3.5%
\$10,000 to \$14,999	86	0.8%	1,273	3.6%
\$15,000 to \$24,999	314	7.8%	2,986	7.8%
\$25,000 to \$34,999	298	10.3%	3,358	7.6%
\$35,000 to \$49,999	219	11.2%	4,327	12.1%
\$50,000 to \$74,999	480	15.5%	7,212	18.1%
\$75,000 to \$99,999	324	20.7%	5,455	15.0%
\$100,000 to \$149,999	430	22.1%	8,191	18.0%
\$150,000 to \$199,999	361	4.7%	3,640	8.0%
\$200,000 or more	74	3.4%	3,529	6.3%
Median Household Income	\$64,282		\$75,550	

Source: 2013-2017 American Community Survey 5-Year Estimates

Poverty Status

Of the 6,499 persons of Washington Borough's population for which poverty status is determined, 686 individuals, or 10.6 percent, lived in poverty in 2017. Of those in poverty, 47.8 percent were children (under the age of 18), 47.6 percent were in the age range of 18 to 64 years old, and the remaining 5.5 percent were seniors (over 65). The County had a slightly lower poverty rate of 8.2 percent.

Poverty Status Washington Borough and Warren County, 2017 Estimates				
	Washington Borough		Warren County	
	Number	Percent	Number	Percent
Total persons	6,499	-	105,338	-
Total persons below poverty level	686	10.6%	8,602	8.2%
Under 18	328	47.8%	2,718	31.6%
18 to 64	320	46.6%	4,970	57.8%
65 and over	38	5.5%	914	10.6%

Source: 2013-2017 American Community Survey 5-Year Estimates

Household Costs

The tables below show the expenditures for housing for those who own and rent in Washington Borough and Warren County. Most people in the Borough lived in homes they owned, and according to the 2013-2017 5-year estimates by the American Community Survey, 26.5 percent of all owner-occupied households spent 30 percent or more of their household income on housing. Of renter-occupied households, 46.8 percent spent more than 30 percent of their household income on housing. General affordability standards set a limit at 30 percent of gross income to be allocated for owner-occupied housing costs and 28 percent of gross income to be allocated for renter-occupied housing costs.

Selected Monthly Owner Costs as a Percentage of Household Income Washington Borough and Warren County, 2017 Estimates				
	Washington Borough		Warren County	
	Number	Percent	Number	Percent
Total Owner-Occupied Housing Units	1,392	100.0%	29,523	100.0%
Less than 10%	60	4.3%	2,963	10.0%
10.0 to 14.9%	329	23.6%	4,500	15.2%
15.0 to 19.9%	222	15.9%	4,683	15.9%
20.0 to 24.9%	249	17.9%	5,012	17.0%
25.0 to 29.9%	163	11.7%	3,516	11.9%
30.0 to 34.9%	78	5.6%	2,130	7.2%
35.0 to 39.9%	59	4.2%	1,172	4.0%
40.0 to 49.9%	76	5.5%	1,933	6.5%
50% or more	156	11.2%	3,476	11.8%
Not computed	0	0.0%	138	0.5%

Source: 2013-2017 American Community Survey 5-Year Estimates

Gross Rent as a Percentage of Household Income Washington Borough and Warren County, 2017 Estimates				
	Washington Borough		Warren County	
	Number	Percent	Number	Percent
Total Renter-Occupied Housing Units	1,251	100.0%	11,862	100.0%
Less than 15%	109	8.7%	1,504	12.7%
15 to 19.9%	169	13.5%	1,413	11.9%
20 to 24.9%	133	10.6%	1,150	9.7%
25 to 29.9%	192	15.3%	1,252	10.6%
30 to 34.9%	53	4.2%	1,530	12.9%
35% or more	533	42.6%	4,059	34.2%
Not computed	62	5.0%	954	8.0%

Source: 2013-2017 American Community Survey 5-Year Estimates

Similar to Washington Borough, a large majority of Warren County residents own their home. Of all owner-occupied households in Warren County, 29.5 percent spent 30 percent or more of their

household income on housing and 47.1 percent of renter-occupied households spent 30 percent or more of their household income on housing.

EXISTING HOUSING CONDITIONS

Housing Unit Data

Washington Borough's housing stock consists of primarily older structures. In 2010, Washington Borough had a total of 2,643 occupied housing units. A majority of these units (1,392 or 52.7%) were owner-occupied while 1,251 units (47.3%) were renter-occupied. The Borough experienced housing booms in the 1950s and 1960s. During that time, 21.4 percent of the Borough's housing stock was built. Since the 1960s, housing construction has continued to drop; no dwellings were built from 2010 to 2013 and only 54 have been built since 2014. The median year of construction for the housing stock in Washington Borough is 1954.

Housing Data Washington Borough, 2017 Estimates		
	Number	Percent
Total Housing Units	2,856	100.0%
Occupied Housing Units	2,643	92.5%
Owner Occupied	1,392	52.7%
Renter Occupied	1,251	47.3%
Vacant Housing Units	213	7.5%

Source: U.S. Census Bureau, 2010

Year Structure Built Washington Borough, 2017 Estimates		
	Number	Percent
Total Housing Units	2,856	100%
Built 1939 or earlier	1,074	37.6%
Built 1940 to 1949	220	7.7%
Built 1950 to 1959	322	11.3%
Built 1960 to 1969	289	10.1%
Built 1970 to 1979	378	13.2%
Built 1980 to 1989	208	7.3%
Built 1990 to 1999	124	4.3%
Built 2000 to 2009	187	6.5%
Built 2010 to 2013	0	0.0%
Built 2014 or later	54	1.9%
Median Year Structure Built	1954	

Source: 2013-2017 American Community Survey 5-Year Estimates

Housing Type and Size

In 2017, single-family detached housing made up approximately half of the housing stock (46.6%). Two-family homes were the next most common housing type, representing 13.6 percent of the Borough's housing stock, followed by single-family attached dwellings (13.5%). The median number of rooms within housing structures in the Borough was 5.9, with the largest percentage of structures containing six rooms (25%).

Housing Type and Size Washington Borough, 2017 Estimates		
Units in Structure	Total	Percent
Total	2,856	100.0%
1, detached	1,330	46.6%
1, attached	386	13.5%
2	389	13.6%
3 or 4	227	7.9%
5 to 9	199	7.0%
10 to 19	128	4.5%
20 to 49	88	3.1%
50 or more	109	3.8%
Mobile home	0	0.0%
Boat, RV, van, etc.	0	0.0%
Rooms	Total	Percent
1 room	39	1.4%
2 rooms	88	3.1%
3 rooms	288	10.1%
4 rooms	369	12.9%
5 rooms	361	12.6%
6 rooms	715	25.0%
7 rooms	478	16.7%
8 rooms	379	13.3%
9 or more rooms	139	4.9%
Median number of rooms	5.9	

Source: 2013-2017 American Community Survey 5-Year Estimates

In terms of residential growth, the issuance of building permits serves as one of the indicators that help to determine housing need. The following table illustrates the number of building permits that were issued over the period of January 2007 through December 2017, when the Borough issued building permits authorizing the development of a total of 137 units. The busiest years for building permits were from 2011 to 2014, with roughly 73% of all building permits since 2007 having been issued in those years. In the more recent years, the number of housing units authorized by building permits has been at a standstill, with only one building permit issued between 2015 and 2017 (in 2016 for a 1 or 2 family home).

Housing Units Authorized by Building Permits: 2007-2017 Washington Borough				
Year	1 & 2 Family	Multi Family	Mixed-Use	Total
2007	14	25	0	39
2008	5	0	0	5
2009	3	0	0	3
2010	2	0	0	2
2011	30	0	0	30
2012	20	0	0	20
2013	23	0	0	23
2014	14	0	0	14
2015	0	0	0	0
2016	1	0	0	1
2017	0	0	0	0
Total	112	25	0	137

Source: State of New Jersey Department of Community Affairs Building Permits: Yearly Summary Data

Occupancy

According to the 2010 Census, of the 2,897 units in Washington Borough, 2,623 (90.5%) were occupied, while only 274 (9.5%) were vacant. Of those units that were vacant, about 5.5 percent were for rent, another 1.3 percent were for sale, and 0.1 percent were for seasonal, recreational or occasional use.

Occupancy Status Washington Borough, 2010		
	Total	Percent
Total Housing Units	2,897	100%
Occupied	2,623	90.5%
Vacant Housing Units	274	9.5%
For Rent/Rented Not Occupied	160	5.5%
For Sale Only	38	1.3%
Sold, not occupied	1	0.03%
For Seasonal, Recreational or Occasional Use	3	0.1%
Other Vacant	72	2.5%

Source: U.S. Census Bureau, 2010

Housing Values and Contract Rents

According to the 2013-2017 American Community Survey, more than half of the owner-occupied housing stock in Washington Borough (56.3%) was valued at over \$200,000. Approximately 82.5 percent of all units were financed by a mortgage, contract to purchase, or similar debt and roughly 21 percent had no mortgage. Housing values for owner-occupied housings units are listed in the table below, along with mortgage status data. The most common housing-value range for the Borough was \$200,000 to \$299,999, with 50.4 percent of all owner-occupied units falling within this range. The second most common value range was between \$150,000 and \$199,999, comprising 27.4 percent of all owner-occupied units. The median value of an owner-occupied housing unit in Washington Borough was \$209,200.

The County's trends mirror that of the Borough, with roughly 68.8 percent of homes valued at over \$200,000 and 70.2 percent of housing units functioning with a mortgage, contract to purchase, or similar debt. It is also the case that 29.8 percent of the County's housing units have no mortgage.

Value for Owner-Occupied Housing Units Washington Borough and Warren County, 2017 Estimates				
	Washington Borough		Warren County	
	Number	Percent	Number	Percent
Total	1,392	100.0%	29,523	100.0%
Less than \$50,000	50	3.6%	863	2.9%
\$50,000 to \$99,999	15	1.1%	1,188	4.0%
\$100,000 to \$149,999	162	11.6%	2,400	8.1%
\$150,000 to \$199,999	382	27.4%	4,770	16.2%
\$200,000 to \$299,999	702	50.4%	9,798	33.2%
\$300,000 to \$499,999	54	3.9%	6,425	21.8%
\$500,000 to \$999,999	27	1.9%	2,607	8.8%
\$1,00,000 and greater	0	0.0%	1,472	5.0%
Median Value	\$209,200		\$256,700	

Source: 2013-2017 American Community Survey 5-Year Estimates

Mortgage Status				
Washington Borough and Warren County, 2017 Estimates				
	Washington Borough		Warren County	
	Number	Percent	Number	Percent
Housing units with a mortgage, contract to purchase, or similar debt	1,149	100.0%	20,732	100.0%
With either a second mortgage or home equity loan, but not both	205	17.8%	3,975	19.2%
Second mortgage only	43	3.7%	625	3.0%
Home equity loan only	162	14.1%	3,350	16.2%
Both second mortgage and home equity loan	0	0.0%	133	0.6%
No second mortgage and no home equity loan	944	82.2%	16,624	80.2%
Housing units without a mortgage	243	21.1%	8,791	42.4%

Source: 2013-2017 American Community Survey 5-Year Estimates

According to the 2013-2017 American Community Survey 5-year estimates, the median contract rent in Washington Borough was \$950. The highest percentage of renters (34.8%) paid between \$1,000 and \$1,499 for rent, followed by 23.8 percent who paid \$700 to \$899 for rent. The County's median contract rent was slightly lower at \$949. Similar to the Borough, 31 percent of renters in the County paid between \$1,000 and \$1,499 for rent, followed by 23 percent who paid \$700 to \$899 for rent.

Contract Rent				
Washington Borough and Warren County, 2017 Estimates				
	Washington Borough		Warren County	
	Number	Percent	Number	Percent
Total Renter Occupied Units	1,251	100.0%	11862	100%
Less than \$200	0	0.0%	213	2%
\$200 to \$499	56	4.5%	758	6%
\$500 to \$699	114	9.1%	1,030	9%
\$700 to \$899	298	23.8%	2,691	23%
\$900 to \$999	255	20.4%	1,744	15%
\$1,000 to \$1,499	435	34.8%	3,704	31%
\$1,500 to \$1,999	13	1.0%	740	6%
\$2,000 or more	18	1.4%	218	2%
No cash rent	62	5.0%	764	6%
Median Contract Rent	\$950		\$949	

Source: 2013-2017 American Community Survey 5-Year Estimates

Housing Conditions

The table below details the condition of the housing within Washington Borough. Overcrowding and age, plumbing, and kitchen facilities are used to determine housing deficiency. In 2017, there were no owner-occupied units in Washington Borough that experienced overcrowding (more than one person per room). Renter-occupied dwellings saw a total of 39 overcrowded units. Throughout the Borough, 63 units lacked complete plumbing facilities and 18 lacked complete kitchen facilities.

Housing Conditions Washington Borough, 2017 Estimates		
	Number	Percent
House Heating Fuel-Occupied Housing Units		
Total	2,643	100.0%
Utility gas	1,340	50.7%
Bottled, tank, or LP gas	11	0.4%
Electricity	686	26.0%
Fuel oil, kerosene, etc.	562	21.3%
Coal or coke	0	0.0%
Wood	29	1.1%
Solar energy	0	0.0%
Other fuel	0	0.0%
No fuel used	15	0.6%
Occupants per Room – Occupied Housing Units		
Total	2,643	100.0%
Owner-Occupied (Over 1.0)	0	0.0%
Renter-Occupied (Over 1.0)	39	1.5%
Facilities – Total Units		
Total	2,643	100.0%
Lacking complete plumbing facilities	63	2.4%
Lacking complete kitchen facilities	18	0.7%
Telephone Service – Occupied Housing Units		
Total	2,643	100.0%
No Service	86	3.3%

Source: 2013-2017 American Community Survey 5-Year Estimates

EMPLOYMENT DATA

The following tables detail the changes in employment from 2007 to 2017 for Washington Borough, Warren County, and New Jersey. Employment in Washington Borough has been slowly dropping, along with the labor force. Unemployment was at a low of 3.6 percent in 2007; however, it began

to rise to its highest points from 2009 to 2012, with the highest year being 2010. Since this peak, the unemployment rate has begun to drop back down, and in 2017 was at 5.2 percent. The unemployment rate of the Borough, overall, is slightly higher than those of the County and State as a whole.

Washington Borough Employment and Residential Labor Force: 2007 - 2017				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2007	4,013	3,870	143	3.6%
2008	4,055	3,868	187	4.6%
2009	4,070	3,736	334	8.2%
2010	3,698	3,309	389	10.5%
2011	3,689	3,376	313	8.5%
2012	3,501	3,159	342	9.8%
2013	3,416	3,160	256	7.5%
2014	3,419	3,200	219	6.4%
2015	3,462	3,247	215	6.2%
2016	3,448	3,265	183	5.3%
2017	3,436	3,257	179	5.2%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimate

Warren County Employment and Residential Labor Force: 2007 - 2017				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2007	58,513	56,291	2,222	3.8%
2008	59,175	56,261	2,914	4.9%
2009	59,551	54,346	5,205	8.7%
2010	58,561	52,790	5,771	9.9%
2011	58,689	53,394	5,295	9.0%
2012	58,568	53,507	5,061	8.6%
2013	57,519	53,233	4,286	7.5%
2014	57,425	53,908	3,517	6.1%
2015	57,192	54,121	3,071	5.4%
2016	56,957	54,343	2,614	4.6%
2017	56,567	54,211	2,356	4.2%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimate

New Jersey Employment and Resident Labor Force: 2003 - 2014				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2007	4,441,800	4,251,800	190,000	4.3%
2008	4,504,400	4,264,000	240,500	5.3%
2009	4,550,600	4,138,600	412,100	9.1%
2010	4,555,300	4,121,500	433,900	9.5%
2011	4,565,700	4,140,500	425,300	9.3%
2012	4,588,100	4,162,100	426,000	9.3%
2013	4,534,400	4,164,400	370,000	8.2%
2014	4,518,700	4,218,400	300,300	6.6%
2015	4,537,200	4,274,700	262,500	5.8%
2016	4,530,800	4,305,500	225,300	5.0%
2017	4,518,800	4,309,700	209,100	4.6%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimate

Employment Status

The 2013-2017 5-year American Community Survey estimates reveal that 75.3 percent of Washington Borough's 16 and over population is in the labor force. The County's employment status is similar to that of Washington Borough. About one third of both the Borough's and the County's over 16 population are not in the labor force (24.7% and 32.6%, respectively).

Employment Washington Borough and Warren County, 2017 Estimates				
	Washington Borough		Warren County	
	Number	Percent	Number	Percent
Population 16 years and over	5,298	100.0%	87,767	100.0%
In labor force	3,991	75.3%	59,132	67.4%
Civilian Labor Force	3,991	75.3%	59,083	67.3%
Employed	3,715	70.1%	54,719	62.3%
Unemployed	276	5.2%	4,364	5.0%
Armed Forces	0	0.0%	49	0.1%
Not in labor force	1,307	24.7%	28,635	32.6%

Source: 2013-2017 American Community Survey 5-Year Estimates

Class of Worker and Occupation

According to the 2013-2017 American Community Survey Estimates, the majority of workers (83.0%) living in Washington Borough were a part of the private wage and salary worker group. This group includes people who work for wages, salary, commission, and tips for a private for-profit employer or a private not-for-profit, tax-exempt or charitable organization. The second largest category was government worker (11.8%), followed by those who were self-employed (4.8%).

Class of Worker Washington Borough, 2017 Estimates		
	Number	Percent
Total	3,715	100.0%
Private Wage and Salary Worker	3,084	83.0%
Government Worker	440	11.8%
Self-Employed Worker	178	4.8%
Unpaid Family Worker	13	0.3%

Source: 2013-2017 American Community Survey 5-Year Estimates

The occupational breakdown shown in the table below includes only private wage and salary workers. Borough Residents who worked within the private wage field were concentrated heavily in management and professional positions as well as sales and office occupations. Together the two fields account for roughly 60 percent of the entire resident workforce.

Resident Employment by Occupation Washington Borough, 2017 Estimates		
	Number	Percent
Employed Civilian population 16 years and over	3,715	100.0%
Management, business, science and arts occupations	1,162	31.3%
Service occupations	613	16.5%
Sales and office occupations	1,079	29.0%
Natural resources, construction and maintenance occupations	302	8.1%
Production Transportation and material moving occupations	559	15.0%

Source: 2013-2017 American Community Survey 5-Year Estimates

The most common industry for Washington Borough residents is the educational services, and health care and social assistance sector, employing 21.7 percent of the Borough's resident workforce. The second most common industry is retail trade sector, which employs 18.2 percent of the Borough's resident workforce.

Employment by Industry Washington Borough, 2017 Estimates		
Industry	Number	Percent
Civilian employed population 16 years and over	3,715	100.0%
Agriculture, forestry, fishing and hunting, mining	63	1.7%
Construction	190	5.1%
Manufacturing	461	12.4%
Wholesale Trade	79	2.1%
Retail Trade	676	18.2%
Transportation and Warehousing, and Utilities	212	5.7%
Information	206	5.5%
Finance and insurance, and real estate and rental and leasing	105	2.8%
Professional, scientific, and management, and administrative and waste management services	420	11.3%
Educational services, and health care and social assistance	806	21.7%
Arts, entertainment, and recreation, and accommodation and food services	199	5.4%
Other Services, except public administration	190	5.1%
Public administration	108	2.9%

Source: 2013-2017 American Community Survey 5-Year Estimates

Commuting to Work

According to the 2013-2017 American Community Survey Estimates, the mean travel time to work for those who lived in the Borough was 38.3 minutes. The vast majority of commuters, roughly 80 percent, traveled less than an hour to work, and 56 percent had less than a half-hour commute.

Travel Time to Work Washington Borough, 2017 Estimates		
	Number	Percent
Workers who did not work at home	3,501	100.0%
Less than 10 minutes	664	19.0%
10 to 14 minutes	533	15.2%
15 to 19 minutes	269	7.7%
20 to 24 minutes	58	1.7%
25 to 29 minutes	437	12.5%
30 to 34 minutes	156	4.5%
35 to 44 minutes	350	10.0%
45 to 59 minutes	366	10.5%
60 to 89 minutes	716	20.5%
90 or more minutes	313	8.9%
Mean travel time to work (minutes)	38.3	

Source: 2013-2017 American Community Survey 5-Year Estimates

The largest portion of workers drove to work alone (82.9%), while roughly 5 percent carpooled. Approximately 4.1 percent of workers commuted via public transportation and another 4.6 walked to work.

Means of Commute Washington Borough, 2017 Estimates		
	Number	Percent
Workers 16 years and over	3,578	100.0%
Car, truck, van- Drove Alone	2,967	82.9%
Car, truck, van- Carpooled	188	5.3%
Public Transportation	147	4.1%
Walked	163	4.6%
Other Means	36	1.0%
Worked at home	77	2.2%

Source: 2013-2017 American Community Survey 5-Year Estimates

Covered Employment

There is currently very limited information available on actual jobs within municipalities. The Department of Labor collects information on covered employment, which is employment and wage data for private employees covered by unemployment insurance. The following tables below provide a snapshot of private employers located within Washington Borough. The first table reflects the number of jobs covered by private employment insurance from 2007 through 2017. The second table reflects the disbursement of jobs by industry in 2017.

According to data from the New Jersey Department of Labor and Workforce Development, the highest number of covered jobs in Washington Borough was in 2007, when 2,373 jobs were covered by unemployment insurance. Private employment has remained relatively steady in Washington Borough since 2007, with its largest loss occurring between 2008 and 2009 (-13.3%).

Private Wage Covered Employment 2007-2017 Washington Borough			
Year	Number of Jobs	Change	
		Number	Percent
2007	2,373	103	4.5%
2008	2,230	-143	-6.0%
2009	1,933	-297	-13.3%
2010	1,887	-45.92	-2.4%
2011	1,877	-10.33	-0.5%
2012	1,903	26.5	1.4%
2013	1,897	-6.59	-0.3%
2014	1,907	11	0.6%
2015	1,949	42	2.2%
2016	2,024	75	3.8%
2017	1,934	-90	-4.4%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimate

In-Borough Establishments and Employees by Industry: 2017

The following table below depicts the average annual number of establishments and employees by industry sector that exist within the Borough, as grouped by North American Industry Classification System (NAICS). In 2017, the Borough had an annual average of 225 establishments employing on average 2,167 persons¹. Healthcare and social services was the predominant sector, accounting for approximately 16 percent of the establishments in Washington Borough and 17.3 percent of the Borough's in-place employment.

¹ The values for total number of establishments and employed persons result from adding the private sector totals and local government totals found on the following table.

Average Number of Establishments and Employees by Industry, 2017		
Industry	2017 Average	
	Units	Employment
Agriculture	.	.
Utilities	.	.
Construction	.	.
Manufacturing	.	.
Wholesale Trade	.	.
Retail Trade	34	323
Transp/Warehousing	5	8
Information	.	.
Finance/Insurance	7	32
Real Estate	.	.
Professional/Technical	20	80
Management	.	.
Admin/Waste Remediation	14	29
Education	.	.
Health/Social	37	374
Arts/Entertainment	.	.
Accommodations/Food	18	212
Other Services	37	121
Private Sector Totals	223	1,934
Local Government Totals	3	233.5

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimate

Data have been suppressed (-) for industries with few units or where one employer is a significant percentage of employment or wages of the industry.

Probable Future Employment Opportunities

The North Jersey Transportation Planning Authority (NJTPA) completes regional forecasts for the New York/New Jersey metropolitan area every four years for population, households, and employment. The most recent report was released in 2017. The 2017 NJTPA report notes that the 2015 employment was 1,287 jobs in the Borough, and is expected to increase to 1,357 jobs by 2045. This represents an increase of 70 jobs, or 0.2%.

The New Jersey Department of Labor releases a Regional Community Fact Book for each county in New Jersey, which typically serves as an indicator of future employment opportunities for each county; however, the Warren County Fact Book was last updated in April of 2011 and its projections only go to 2018.

PART 2: FAIR SHARE PLAN

INTRODUCTION

The following Fair Share Plan (the Plan) details the Borough's present need, prior round obligation (1987-1999), and prospective affordable housing need. This Plan proposes mechanisms by which the Borough can realistically provide opportunities for affordable housing for those moderate-, low-, and very low- income households.

The need for affordable housing in New Jersey is divided into three components:

- *Present Need* – The present need, or rehabilitation share, represents the number of existing housing units that are both deficient and occupied by low- and moderate-income households. This number is derived from review and analysis of housing conditions reported in the U.S. Census and American Community Survey.
- *Prior Round Obligation* – The Prior Round obligation is the cumulative 1987-1999 fair share obligation determined by 2014 COAH regulations. The First Round and the Second Round are mutually referred to as the “Prior Round.”
- *Gap + Prospective Need or Third Round Obligation* - July 1, 1999 – July 2, 2025 (which includes what is commonly referred to as the “gap period”, which ran from 1999-2015, and the Prospective Need period, which runs from 2015 to 2025). On January 18, 2017, the Supreme Court decided In Re Declaratory Judgment Actions Filed by Various Municipalities, County of Ocean, Pursuant To The Supreme Court's Decision In In re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015) (“Mount Laurel V”), which held that need having accrued during the Gap Period (1999-2015) was part of the Present Need, not Prospective Need. The Supreme Court held that there is an obligation with respect to that period for households that came into existence during that gap that are eligible for affordable housing, that are presently (as of 2015) in need of affordable housing, and that are not already counted in the traditional present need. As the methodology and obligations from the Gap + Prospective Need have not been fully adjudicated at this time, the Borough and FSHC agreed upon the magnitude of these obligations in the FSHC Settlement Agreement.

The Borough's affordable housing obligations are as follows per the court-approved Settlement Agreement between the Borough and FSHC:

Rehabilitation Share	69
Prior Round Obligation	0
Third Round Obligation	42

SUITABILITY ANALYSIS

Pursuant to N.J.A.C. 5:93-1.3, sites that are designated to produce affordable housing shall be available, approvable, developable, and suitable according to the following criteria:

- “Available site” means a site with clear title, free of encumbrances which preclude development for low and moderate income housing. N.J.A.C. 5:93-1.3.
- “Approvable site” means a site that may be developed for low and moderate income housing in a manner consistent with the rules or regulations of agencies with jurisdiction over the site. A site may be approvable although not currently zoned for low and moderate income housing.
- “Developable site” means a site that has access to appropriate water and sewer infrastructure, and is consistent with the applicable area wide water quality management plan (including the wastewater plan) or is included in an amendment to the area wide water quality management plan submitted to and under review by the DEP.
- “Suitable site” means a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in N.J.A.C. 5:93-4.

In addition to the above qualifications, it is also sound planning for sites to be consistent with the SDRP. Sites that are located in the Metropolitan Planning Area 1 or Suburban Planning Area 2 of the SDRP, or are located in an existing sewer service area, are the preferred location for municipalities to address their fair share obligation. The Borough is located within the Rural Planning Area 4 and Rural Environmentally Sensitive Planning Area 4B of the SDRP. The entirety of the Borough is also a Designated Town Center pursuant to the SDRP. All of the sites mentioned in this Plan are located within the existing sewer service area with the exception of the Washington Venture site.

PRESENT NEED

Present Need was previously determined in N.J.A.C. 5:93-1.3 to be the sum of a municipality's indigenous need, the deficient housing units occupied by low- and moderate-income households, and the reallocated present need, which is the portion of a housing region's present need that is redistributed throughout the housing region. Under the Second Round rules, evidence

for deficient housing included: year structure was built, persons per room, plumbing facilities, kitchen facilities, heating fuel, sewer service, and water supply. (N.J.A.C. 5:92, Appendix A).

The Third Round Rules (N.J.A.C. 5:97-1.1 et seq.) reduced the number of criteria of evidence of deficient housing to three: pre-1960 over-crowded units, which are units that have more than 1.0 persons per room; incomplete plumbing, and incomplete kitchen facilities. (N.J.A.C. 5:97, Appendix B). This reduction in the number of criteria was found to be by the Appellate Division to be within the Council's discretion and was upheld in the Supreme Court's decision in Mount Laurel IV.

The previously discussed Mount Laurel IV decision found that the reallocated need is no longer a component in the determination of Present Need. Therefore, the Present Need now equates to indigenous need, which means the obligation is based on deficient housing as determined by pre-1960 over-crowded units, incomplete plumbing, and incomplete kitchen facilities.

The Borough intends to address its 69-unit rehabilitation obligation through its continued partnership with Warren County and its housing rehabilitation program. The Warren County Housing Program coordinates a grant-funded rehabilitation program to assist both owner-occupied and renter-occupied lower-income households with code and code related repairs, administers a 666-unit housing choice voucher program, and provides rental assistance to residents of low and moderate income. Since 2000, 55 units occupied by both owner and renter income qualified households have been rehabilitated. See Appendix D for a list of rehabilitated units in the Borough.

The Borough may also utilize monies from the Borough's Affordable Housing Trust Fund to assist with the County's rehabilitation program in order to address its present need for income eligible households. See Appendix D for rehabilitation documentation.

PRIOR ROUND OBLIGATION (1987-1999)

The Borough has a Prior Round obligation of 0 units.

ROUND 3 NEED

Per the court-approved settlement agreement between the Borough and the FSHC, the Borough has a Third Round obligation of 42 units. The Borough proposes to address its Third Round obligation through the following mechanisms:

Westgate Apartments (100% affordable) (Block 6 Lots 11.01 & 11.02)

The Westgate Apartments is an existing 100% affordable development consisting of 68 affordable 1- and 2-bedroom family rental units. The property is located on Block 6 Lots 11.01 and 11.02, off of Kinnaman Avenue in the northeastern portion of the Borough. The site is located within the R-4 Residential Zoning District. This development received credit in the Borough's Certified Second Round Fair Share Plan.

The complex was funded through the USDA Rural Development Agency and was constructed in two separate phases: Westgate I, which received Certificates of Occupancy in 1981 and Westgate II, which received Certificates of Occupancy in 1985, both of which are under a 50-year deed restriction, which expires in 2031 and 2035, respectively.

Per the Court-approved Settlement Agreement, the Westgate Apartments is applied to the Third Round obligation. See Appendix E for the Mortgage and Deed pertaining to Westgate Apartments.

Gardeners Court (Block 100 Lot 2)

Gardeners Court is an existing special needs group home located at 1-7, 2-8 Gardeners Court. The property is developed with eight (8) 2-bedroom units, of which two (2) of the units are occupied by a parent and child, resulting in a total of 14 eligible credits. The units are rental units. The development was renovated and operational in 1999 and is operated by ARC of Warren County. Eleven (11) Rental bonus credits are applied to this development. See Appendix F for documentation pertaining to this group home.

Downtown Redevelopment Plan

The Borough adopted the Downtown Redevelopment Plan in 2009. The Downtown Redevelopment Area encompasses approximately 41.5 total acres, and consists of 3 districts: The Washington Avenue Core District, the Route 31 Gateway District, and the Public Park District. The Washington Avenue Core District and the Route 31 Gateway District permit 2 to 4 story mixed use development, while the Public Park District permits public parks, open space, and quasi-public facilities.

The Borough's Planning Consultant conducted a survey of the Downtown Redevelopment Area in October 2016 and determined that the Redevelopment Area could realistically yield 25 affordable units. The Settlement Agreement notes that these units do not currently provide a realistic opportunity for affordable housing, but would upon the development of affordable housing.

The Borough proposes to amend the Downtown Redevelopment Plan to require that any residential/mixed-use development that generates 5 or more units shall provide a 20% affordable family set aside.

Towne Center Project (Block 95 Lots 3 & 4)

The Towne Center Project, located within the Washington Avenue Core District of the Downtown Redevelopment Plan, was granted approval by the Borough Planning Board on December 9, 2013, which was memorialized in a resolution dated January 13, 2014. The project is proposed to consist of a 4-story mixed use building consisting of approximately 4,000 square feet of retail space, 2,750 square feet of restaurant space, and 50 residential units consisting of 25 one-bedroom units and 25 two-bedroom units. The initial approval did not include any affordable units.

In May 2018, the Borough amended its Spending Plan to provide the developer, Jade Partners Urban Renewal, LLC, with \$300,000 (\$30,000 per unit) for 30-year affordable housing deed restrictions on 10 rental units which are proposed to be an equal split of low and moderate income units and subject to UHAC regulations. Relief was granted via Court Order on April 13, 2018. (See Appendix G for the Second Amended Redevelopers Agreement dated June 22, 2017 and Resolution in Support of the Amended Affordable Housing Trust Fund Spending Plan with attachments.

The site is appropriate for multi-family housing:

- The site is available, approvable, developable, and suitable.
- There were no known encumbrances that would prohibit or otherwise impact the development of the property in general.
- The site received Planning Board approval on December 9, 2013 and was memorialized in a resolution dated January 13, 2014.
- In accordance with the 2012 New Jersey Department of Environmental Protection's Land Use Land Cover (LULC), there are no wetlands or surface water resources on the subject property or within 50 feet of the subject property.
- The site is not located within a FEMA 100-year flood plain.
- The rear of the site which has been disturbed falls within the Category 1 stream 300-foot buffer and is proposed to be developed with a parking lot with a 15-foot rear vegetated buffer. The area on the site proposed for the buildings are not within the 300-foot buffer.
- The site is served by both public sewer and public water.
- The site is surrounded by compatible land uses including mixed-use developments and has access to appropriate rights-of-way. The approved site plan provides ingress only from

Washington Avenue, egress only to Lincoln Boulevard, and ingress and egress to Broad Street.

- The site is located within the Downtown Redevelopment Plan's Washington Avenue Core District which permits 3-4 story mixed-use buildings.

Habitat for Humanity (Block 100 Lot 41)

The property is located at 2 Marble Street (Block 100 Lot 41) in the Borough. The property was purchased by Habitat for Humanity from the Catholic Charities Diocese of Metuchen on June 9, 2000. Habitat for Humanity deed restricted the property as an owner-occupied moderate-income household on August 24, 2001 and is subject to resale controls. The unit is considered a for-sale family unit. (See Appendix H for the Deed Restriction pertaining to this property.)

Habitat for Humanity (Block 69 Lots 12, 13, 14, and 16)

The property is located at 24 E. Washington Ave. (Block 69, Lots 12, 13, 14, and 16) in the Borough. The property was purchased by Habitat for Humanity on or about April 17, 2013 for \$24,000. Habitat for Humanity deed restricted the property as an owner-occupied affordable unit on June 19, 2014 and is subject to resale controls. The unit is considered a for-sale family unit. (See Appendix I for the Deed Restriction pertaining to this property.)

Habitat for Humanity (Block 68 Lot 2)

The property is located at 12 Prosper Way (Block 68, Lot 2) in the Borough. The property was purchased by Habitat for Humanity on or about October 27, 2009 for \$40,000. Habitat for Humanity deed restricted the property as an owner-occupied affordable unit on October 13, 2011 and is subject to resale controls. The unit is considered a for-sale family unit. (See Appendix J for the Deed Restriction pertaining to this property.)

Washington Venture Entities

Pursuant to a Court Order filed on November 6, 2015, Washington Venture Entities was granted leave to intervene in the DJ Action. The Washington Venture Entities are the owners of the property located at Block 97 Lots 1, 3, and 4 and Block 97.01 Lot 1. The property encompasses approximately 123 acres and is located in the southwestern corner of the Borough. The site is bordered by the rail road tracks to the north, residential properties along Nunn Avenue to the east, and Washington Township to the south and west.

The Borough and Washington Ventures Entities negotiated an agreement regarding the development of the property. The Washington Ventures Agreement was executed on October 9, 2018 and amended via Rider dated December 18, 2018.

The site is proposed to be subdivided into 50 small-lot single-family residential properties with common areas for open space, roadways, and stormwater management facilities on an approximately 35 acre tract, a cemetery district on an approximately 10 acre tract with a 10,000 square foot cell tower site, and the remaining portion of the property, approximately 80 acres, is proposed to be purchased by the Borough and deed-restricted as public open space. See Appendix K for the Concept Plan included with the Settlement Agreement.

Washington Ventures agrees to pay a residential development fee of 1.5% of equalized assessed value of the residential units in lieu of providing an affordable housing set aside on the property as part of its residential development in addition to agreeing to paying any other non-residential development fee required by applicable statute, regulation, or ordinance in order to assist the Borough's efforts to comply with its affordable housing obligation.

USE OF SURPLUS CREDITS

Any surplus credits generated would be applied to any future obligation that the Borough may have.

SUMMARY OF FAIR SHARE COMPLIANCE

Summary of Washington Borough's Obligation				
	Total	Very Low	Low	Moderate
Present Need Obligation	69			
Partnership with Warren County				
Completed Units	55			
Proposed Units	14			
Prior Round Obligation	0			
Third Round Obligation	42			
Westgate Apartments	68			68
Gardeners Court	14	9	5	
<i>Rental Bonus</i>	11			
Downtown Redevelopment Plan	25	2-3 (proposed)	10-11	12
Towne Center Project	10	1 (proposed)	4	5
Habitat for Humanity	3			3
TOTAL CREDITS	131	12-13	19-20	88

ADDITIONAL REQUIREMENTS

Very Low-Income Requirement: The Borough will ensure that 13% of all of the affordable units, with the exception of units constructed as of July 1, 2008 and units subject to preliminary or final site plan approval prior to that date, will be affordable to very low-income households. Half of the very low-income units will be made available to families.

Rental Bonus Credits: All rental bonus credits claimed in this plan have been applied in accordance with N.J.A.C. 5:93-5.15(d).

Low/Moderate Income Split: At least half of the units addressing the Borough's obligation shall be affordable to very-low income and low-income households, and the remaining will be affordable to moderate-income households.

Rental Requirement: At least 25% of the Borough's obligation will be met through rental units, and at least half of these units will be available to families.

Round 3 Family Requirement: At least half of the units addressing the Borough's obligation will be available to families.

Age Restricted Cap: The Borough agrees to comply with COAH's Round 2 age-restricted cap of 25%. The City is not requesting a waiver to exceed the age-restricted cap.

Spending Plan: The Borough will prepare an amended Spending Plan and will ask the Court to approve the amended Spending Plan.

Affirmative Marketing: The individual developers will be responsible to ensure that proper affirmative marketing of all of the affordable units is properly implemented.

UHAC: All affordable units created through the provisions of this Plan shall be developed in conformance with the Uniform Housing Affordability Controls (UHAC) pursuant to N.J.A.C. 5:80-26.1 et seq. or any successor legislation, with the exception of the very-low income requirement as described above.

Appendix A
Executed Court Order

TARA ST. ANGELO, ESQ.
Attorney ID #020292008
GEBHARDT & KIEFER, P.C.
1318 Route 31 ~ P.O. Box 4001
Clinton, New Jersey 08809-4001
Tel. (908) 735-5161
Attorneys for Petitioner, Borough of Washington

IN THE MATTER OF THE
APPLICATION OF BOROUGH OF
WASHINGTON, A Municipal Corporation
of the State of New Jersey,

Petitioner.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION-WARREN COUNTY

DOCKET NO. **WRN-L-230-15**

CIVIL ACTION
(Mount Laurel)

**ORDER APPROVING SETTLEMENT
AGREEMENT**

THIS MATTER having come before the Court on the application of Gebhardt & Kiefer, PC, attorneys for Petitioner, Borough of Washington (the “Borough”), appearing, upon notice for a Fairness Hearing to approve the December 10, 2018, Settlement Agreement between the Borough and interested parties Fair Share Housing Center and the October 9, 2018 Settlement Agreement (as amended by a Rider dated December 18, 2018) between the Borough and interested parties Washington Station Venture, LP and Washington Venture Investment, Ltd. (collectively, the “Washington Venture Entities” to resolve the requirements for the Borough to meet its constitutional obligation to provide its fair share of housing for very low-, low- and moderate-income households, and the Borough having provided notice to interested parties by publication in the Express Times and by emailing notices to all interested parties on the Borough’s service list, and the Court having considered the written and oral comments and recommendations of the court-appointed Special Master, Peter A Buchsbaum, J.S.C. (Ret.), and no other interested party or member of the public having provided any comments or objections to

the Settlement Agreements, and the Court having conducted a Fairness Hearing to consider the Settlement Agreements, and for good cause appearing,

It is on this 23rd day of January, 2019, **ORDERED** as follows:

1. Approval of Settlement Agreement. The Settlement Agreements referenced above are approved, and the Borough shall proceed with the undertakings set forth in the Settlement Agreements. In addition to the other obligations within the Settlement Agreements, within 120 days of the entry of this Order, the Borough shall take the following actions, if it has not already done so:
 - a. The Borough Land Use Board shall adopt and the Mayor and Council shall endorse a Housing Element and Fair Share Plan consistent with the terms of the Settlement Agreements. The Housing Element and Fair Share Plan shall include the Spending Plan.
 - b. The Borough shall appoint a specific municipal employee as Municipal Housing Liaison and the Administrative Agent responsible for administering the affordable housing program, including affordability controls, the income limits referenced in the Settlement Agreements, the Affirmative Marketing Plan, and monitoring and reporting.
 - c. The Mayor and Council shall adopt amendments to the Affordable Housing Ordinance pertaining to affordability standards, other implementing zoning ordinances as referenced in the Settlement Agreements, and amendments to its Redevelopment Plan as referenced in the Settlement Agreements.
 - d. The Borough shall prepare and adopt an Affirmative Marketing Plan.
 - e. The Borough shall otherwise comply with the terms of the Settlement Agreement

and the recommendations of the Special Master as set forth in her report.

2. Continuing Obligations. The Borough shall perform the following obligations in accordance with the terms of the Settlement Agreements:
 - a. The Borough shall provide monitoring of the affordable housing trust fund activity and the status of affordable housing activity in compliance with the Settlement Agreements.
 - b. The monitoring and reporting requirements identified in the Settlement Agreements shall be continuing conditions of the Court's approval.
3. Final Compliance Hearing. Upon written submission by the Borough that it has complied with all of its obligations under the Settlement Agreements, a Compliance Hearing in this matter will be scheduled by the Court. It is anticipated that the Final Compliance Hearing will be scheduled in May 2019.
4. Immunity. The Temporary Immunity previously granted to the Borough is hereby extended until and through the day following the entry of an order resulting from the completion of the Final Compliance Hearing herein scheduled.
5. Exhibit. Attached hereto as Exhibit "A" and made apart hereof to conform with this Order is the Special Master's report dated December 20, 2018.
6. Service of Order. A copy of the within Order shall be served on counsel for all persons and/or entities on the municipal service list within five (5) days of receipt of this Order by counsel for the Borough.

/S/ THOMAS C. MILLER, P.J.Cv.

Hon. Thomas C. Miller, P.J. Civ.

EXHIBIT A

LANZA & LANZA LLP**ATTORNEYS AT LAW**

John R. Lanza
Certified by the Supreme Court of
New Jersey as a Civil Trial Attorney

John E. Lanza
Also admitted in DC

Robyn D. Wright
Also admitted in NY & CA

Peter A. Buchsbaum, Of Counsel
(Retired N.J. Superior Court Judge)

5 MAIN STREET, P.O. BOX 2520
FLEMINGTON, NEW JERSEY 08822
PHONE 908 782-2600
FAX 908 782-4012

December 20, 2018

The Honorable Thomas C. Miller, J.S.C.
Somerset County Courthouse
20 N. Bridge Street
P.O. Box 3000
Somerville, New Jersey 08876-1262

Re: Washington Borough, Warren County Fairness Hearing, Dec. 20, 2018.

Dear Judge Miller:

This matter is before the Court as a result of in the Matter of the Adoption of N.J.A.C 5:96 and 5:97, 221 N.J.1 (2015) (Mt. Laurel IV) which returned jurisdiction over affordable housing cases to the Court. I am writing as court appointed master to set forth my approval of the proposed settlement in this Mount Laurel declaratory judgment action. I have reviewed both the settlement agreement between the Borough and Fair Share Housing and the one with Washington Ventures and find them both worthy of approval subject to final action at a compliance hearing to be held within 120 days.

Washington Borough presents an unusual fact pattern in several respects. First, it is a largely built up municipality. The objector Washington Ventures' land is virtually the only remaining large parcel in the Borough's borders. Second, the Borough initially had high fair share which was agreed to be reduced to 42 units in light of the decision by Judge Jacobson not to include filtering in the fair share calculation. Because of the circumstance, the exclusion of filtering actually reduced the Borough's fair share by a significant amount.

The Court Master sees no reason to second-guess the reduced figure. The parties have come to an agreement with respect the same and the reliance on the Jacobson methodology. This agreement is thus solidly grounded on a decision of the Superior Court in another vicinage. There is therefore no reason to insist on a higher fair share

In addition, The Borough has largely stayed with a former plan that produced a significantly higher number of units. The Borough thus presents the unusual tableaux of a town that well exceeds its listed fair share. Thus tabulation is demonstrated by the following which is extracted from the settlement agreement with Fair Share Housing

¶3. FSHC and Washington hereby agree that Washington’s affordable housing obligations are as follows:

Rehabilitation Share (per Kinsey Report)	69
Prior Round Obligation (pursuant to N.J.A.C. 5:93)	0
Third Round (1999-2025) Obligation	42

¶6. As noted above, the Borough has a Prior Round prospective need of 0 units.

¶7. The Borough has implemented or will implement the following mechanisms to address its Third Round Obligation of 42 units:

Project# UnitsRental Bonuses

a. Westgate Apartments (family rental) – built, Block 6, Lots 11.01 and 11.02, 68 units 0 bonus. This is an existing 100% affordable development consisting of a total of 68 affordable 1 and 2 bedroom units. Certificates of Occupancy were issued for the project in 1981 and 1985 and the deed restrictions run through 2031 and 2035. During the compliance phase of this litigation, the municipality will provide documentation evidencing the creditworthiness of these units.

b. Gardner’s Court (special needs rental) – built
14 unit 11 bonus

This is an existing special needs housing consisting of 8-2 bedroom units. However, 2 of the units are designed to be occupied by a parent and child. Therefore, the development is eligible for 14 credits. The development is operated by the ARC and was renovated and operational in 1999. During the compliance phase of this litigation, the municipality will provide documentation evidencing the creditworthiness of these units.

c. Redevelopment Plan (family rental) – proposed
25 units 0 bonus

The Borough adopted a redevelopment plan in 2009. Based upon a survey conducted by the Borough’s planner, it is anticipated that that the plan will yield 25 affordable rental units. The parties to this Agreement acknowledge that these units do not currently provide a realistic opportunity for affordable housing, but would upon the development of the affordable housing.

d. Towne Center Project (family rental) (Block 95, Lot 1) – proposed, under construction 10 units 0 bonus.

This site is in the downtown redevelopment zone. The original site plan was approved without any affordable units because, at the time, the Borough did not have an assigned obligation. Therefore, the Borough entered into an agreement with the developer to deed restrict 10 units.

e. Habitat for Humanity (family, for sale) – existing, Block 100, Lot 41 1 unit 0 bonus

Sum total is 118 units plus 11 bonus. Total credits: 129

The parties acknowledge that the Borough's Plan as set forth above exceeds the 42-unit Third Round obligation assigned to it pursuant to this Agreement. Therefore, Borough may carry over any resulting extra credits to future rounds in conformance with the then-applicable law and may take additional bonus credits in such future rounds in conformance with the then-applicable law.

This is a highly unusual circumstance well worthy of praise from the Court.

The Master has reviewed the actual housing mechanisms and finds them to satisfy the requirements for existing housing and for new units as applicable, subject to the proper documentation at the compliance hearing. With particular regard to the Redevelopment areas, the court has looked at the chart of same prepared by The Boro and is concluded that the 25 unit estimate represents a fair calculation of what is likely to be achieved in the Redevelopment area given the ownership patterns that exist there. The other mechanisms are either supported by agreement or reflect existing housing. In addition as part of the compliance phase, the Borough will amend its Redevelopment Plan to require that any development of 5 or more units shall have a 20% set aside for affordable housing.

Somewhat more problematical was the Borough's assertions with respect to funding of its 69 unit Rehabilitation component. The Agreement states as follows:

5. The Borough's efforts to meet its present need will include the following: creation of a housing rehabilitation program for ownership and rental housing utilizing future affordable housing trust funds. This will include hiring of an affordable housing administrator, creation of a housing rehabilitation program manual, and marketing of the program, all of which shall occur prior to the compliance hearing in this matter. Additionally, the Borough has funded and completed 31 rehabilitation units in conjunction with the Warren County Housing Rehabilitation Program. The Borough will continue to work with such Program and utilize funds from its Affordable Housing Trust Fund. This will be sufficient to satisfy the Borough's present need obligation of 69 units. It is the Borough's intent to satisfy its remaining present need apart from its Third Round obligation set forth in Paragraph 7 hereunder.

At first, the Court Master was advised that much of the 38 rehab units to be undertaken would be addressed through a trust fund augmented in large part by an expected \$250,000 contribution levied as from a development fee of 1.5% of assessed value to be levied by ordinance on the 56 units accorded to Washington Venture as a result of its settlement with the Boro. However, the agreement contained an escape clause which allowed the Borough to opt out in the event it did not achieve sufficient Green Acres funding to cover the acquisition cost of purchasing part of the Washington Venture property. Just this week, after questions from the Master, the parties reached an agreement on deleting that contingency. Instead, the Borough has now committed by an executed rider to its Agreement with Washington Venture to match the expected Green Acres Grant which has now been confirmed by letter, and the developer has agreed to accept a somewhat lower total in exchange for its grant of a portion of its property that will not be developed. It now thus appears that funding for the rehab component is assured to the extent it can be at this stage. A Rider reflecting this change was approved by the Borough Council on December 18, 2018.

Beyond this situation, neither the Borough's agreement with Fair Share nor the agreement with Washington Ventures pose any issues that would be an obstacle to approval of the agreement and the setting of this matter down for a compliance hearing. In its agreement with Fair Share, the Borough has agreed to all of the various technical requirements for compliance and the Court Master is satisfied with same. The Borough has thus committed to comply with standards guidelines regarding rental housing, limits on senior housing, income criteria and bedroom distribution, among others.

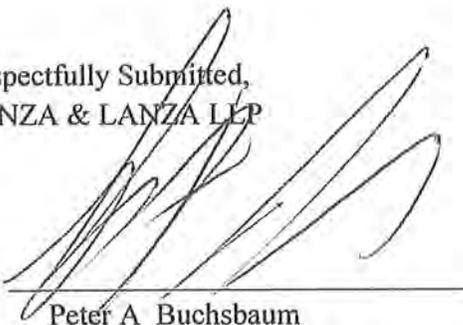
In addition, appended to this report, is a set of stipulations at the borough must satisfy at the time of a final hearing. These include the development of a spending plan to carry out the rehabilitation provisions and the approval of a fair share plan and housing element that carries out all the requirements, including but not limited to affirmative marketing that are mandated by the regulations that are still in effect under Mount Laurel IV.

In sum, these agreements, which provide a very admirable number of affordable units well above the fair share, richly deserve approval of the Court.

Thank you for your attention to the above.

Respectfully Submitted,
LANZA & LANZA LLP

By:


Peter A Buchsbaum

PAB:jp

REQUIRED ELEMENTS OF FINAL AFFORDABLE HOUSING COMPLIANCE PLAN

Municipality Name: Borough of Washington

December 20, 2018.

The Settlement Agreement includes a summary of the crediting allocations and proposals for meeting the Municipal affordable housing fair share obligations that will be included in its final adopted Housing Element and Fair Share Plan. A Housing Element and Fair Share Plan will need to be prepared reflecting all of the terms of the Borough/FSHC Settlement Agreement (as well as those of the Washington Ventures Intervener Agreement and meeting all of the statutory requirements for such documents.

Once the amended Housing Element and Fair Share Plan has been prepared, it must be reviewed by FSHC, Intervener, and the Special Master for compliance with the terms of the executed Settlement Agreements, the Fair Housing Act and applicable UHAC regulations, and then the Housing Element and Fair Share Plan itself must be adopted by the Planning Board and the implementation components of the Fair Share Plan must be adopted by the governing body.

1. The Housing Element will also need to include:

a. Confirmation of the suitability of each un-built inclusionary residential site that is in the Plan as well as consideration of any site that was proposed for inclusionary residential development but rejected (and the reasons therefor);

b. An analysis of how the Housing Element and Fair Share Plan complies with or will comply with all of the terms of the executed Settlement Agreement; and

c. Documentation as to the income and bedroom distributions and continued creditworthiness of all existing affordable units in the Plan, including start dates and lengths of affordability controls applicable to these units and applicable Affordable Housing Agreements and/or deed restrictions.

2. The Fair Share Plan must include all of the adopted ordinances and resolutions needed to implement the Plan, including:

a. All redevelopment plans and zoning amendments;

b. An Affordable Housing Ordinance that includes, among other required regulations, its applicability to 100 percent affordable and tax credit projects, the monitoring and reporting requirements set forth in the FSHC Settlement Agreement, requirements regarding very low income housing and very low income affordability consistent with the Fair Housing Act and FSHC/Municipal Settlement Agreement, provisions for calculating annual increases in income levels and sales prices and rent levels, and a clarification regarding the minimum length of the affordability controls (at least 30 years, until the municipality takes action to release the controls), and mandatory set aside requirements for unanticipated multi-family residential developments;

- c. An amended and updated Development Fee Ordinance that reflects the Court's jurisdiction;
- d. An amended Affirmative Marketing Plan *adopted by Resolution* that contains specific directives to be followed by the Administrative Agent in affirmatively marketing affordable housing units, with the COAH form appended to the Affirmative Marketing Plan, and with both documents specifically reflecting the direct notification requirements set forth in the FSHC Settlement Agreement;
- e. The documentation attached regarding the Municipality's Rehabilitation Program and a resolution to fund any shortfall by any means appropriate;
- f. An updated and amended Spending Plan indicating how the Municipality intends to allocate funds to its various municipally sponsored programs, including its rehabilitation program, and detailing (in mini-manuals) how the Township proposes to expend funds for affordability assistance, especially those funds earmarked for very low income affordability assistance;
- g. Copies of the resolution and/or contract appointing the Administrative Agent and the ordinance creating the position of and resolution appointing the Municipal Affordable Housing Liaison; and
- h. A resolution from the Planning Board adopting the Housing Element and Fair Share Plan, and, if a Final Judgment is sought before all of the implementing ordinances and resolutions can be adopted, a resolution of the governing body endorsing the Housing Element and Fair Share Plan.

I have recommended in the Letter Report to which this memorandum is attached that the municipality be given a period of 120 days in which to comply with all of these requirements. Upon its timely compliance with the foregoing, and subject to a favorable review and recommendation as to the final submission by FSHC and the Special Master, and its approval by the Court, I am confident that the municipality will be entitled to receive a Final Judgment of Compliance and Repose through July 1, 2025.

Appendix B

Settlement Agreement between Borough of Washington and Fair Share Housing Center



Peter J. O'Connor, Esq.
Kevin D. Walsh, Esq.
Adam M. Gordon, Esq.
Laura Smith-Denker, Esq.
David T. Rammler, Esq.
Joshua D. Bauers, Esq.

December 10, 2018

Tara Ann St. Angelo, Esq.
Gebhardt & Kiefer, P.C.
1318 Route 31 North
P.O. Box 4001
Clinton, NJ 08809

Re: In the Matter of the Borough of Washington, Docket No. WRN-L-230-15

Dear Ms. St. Angelo:

This letter memorializes the terms of an agreement reached between the Borough of Washington (the "Borough" or "Washington"), the declaratory judgment plaintiff, and Fair Share Housing Center (FSHC), a Supreme Court-designated interested party in this matter in accordance with In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30 (2015) ("Mount Laurel IV") and, through this settlement, a defendant in this proceeding.

Background

Washington filed the above-captioned matter on or about July 1, 2015 seeking a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. in accordance with In re N.J.A.C. 5:96 and 5:97, supra. Through the declaratory judgment process, the Borough and FSHC agreed to settle the litigation and to present that settlement to the trial court with jurisdiction over this matter to review, recognizing that the settlement of Mount Laurel litigation is favored because it avoids delays and the expense of trial and results more quickly in the construction of homes for lower-income households.

Settlement terms

The Borough and FSHC hereby agree to the following terms:

1. FSHC agrees that the Borough, through the adoption of a Housing Element and Fair Share Plan conforming with the terms of this Agreement (hereafter "the Plan") and through the implementation of the Plan and this Agreement, satisfies its obligations under the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq., for the Prior Round (1987-1999) and Third Round (1999-2025).
2. At this time and at this particular point in the process resulting from the Supreme Court's Mount Laurel IV decision, when Third Round fair share obligations have yet to be definitively determined, it is appropriate for the parties to arrive at a settlement regarding a municipality's Third Round present and prospective need instead of doing so through plenary adjudication of the present and prospective need.
3. FSHC and Washington hereby agree that Washington's affordable housing obligations are as follows:

00213907

Rehabilitation Share (per Kinsey Report ¹)	69
Prior Round Obligation (pursuant to N.J.A.C. 5:93)	0
Third Round (1999-2025) Obligation	42

4. For purposes of this Agreement, the Third Round Obligation shall be deemed to include the Gap Period Present Need, which is a measure of households formed from 1999-2015 that need affordable housing, that was recognized by the Supreme Court in In re Declaratory Judgment Actions Filed By Various Municipalities, 227 N.J. 508 (2017).
5. The Borough's efforts to meet its present need will include the following: creation of a housing rehabilitation program for ownership and rental housing utilizing future affordable housing trust funds. This will include hiring of an affordable housing administrator, creation of a housing rehabilitation program manual, and marketing of the program, all of which shall occur prior to the compliance hearing in this matter. Additionally, the Borough has funded and completed 31 rehabilitation units in conjunction with the Warren County Housing Rehabilitation Program. The Borough will continue to work with such Program and utilize funds from its Affordable Housing Trust Fund. This will be sufficient to satisfy the Borough's present need obligation of 69 units. It is the Borough's intent to satisfy its remaining present need apart from its Third Round obligation set forth in Paragraph 7 hereunder.
6. As noted above, the Borough has a Prior Round prospective need of 0 units.
7. The Borough has implemented or will implement the following mechanisms to address its Third Round Obligation of 42 units:

Project	# Units	Rental Bonuses	
Westgate Apartments (family rental) – built, Block 6, Lots 11.01 and 11.02	68	0	This is an existing 100% affordable development consisting of a total of 68 affordable 1 and 2 bedroom units. Certificates of Occupancy were issued for the project in 1981 and 1985 and the deed restrictions run through 2031 and 2035. During the compliance phase of this litigation, the municipality will provide documentation evidencing the creditworthiness of these units.
Gardner's Court (special needs rental) – built	14	11	This is an existing special needs housing consisting of 8-2 bedroom units. However, 2 of the units are designed to be occupied by a parent and child. Therefore, the development is eligible for 14 credits. The development is operated by the ARC and was renovated and operational in 1999. During the compliance phase of this litigation, the municipality will provide documentation evidencing the creditworthiness of these units.
Redevelopment Plan (family rental) – proposed	25	0	The Borough adopted a redevelopment plan in 2009. Based upon a survey conducted by the Borough's planner, it is anticipated that that the plan will yield 25 affordable rental units. The parties to this Agreement

¹ David N. Kinsey, PhD, PP, FAICP, NEW JERSEY LOW AND MODERATE INCOME HOUSING OBLIGATIONS FOR 1999-2025 CALCULATED USING THE NJ COAH PRIOR ROUND (1987-1999) METHODOLOGY, May 2016.

			acknowledge that these units do not currently provide a realistic opportunity for affordable housing, but would upon the development of the affordable housing.
Towne Center Project (family rental) (Block 95, Lot 1) – proposed, under construction	10	0	This site is in the downtown redevelopment zone. The original site plan was approved without any affordable units because, at the time, the Borough did not have an assigned obligation. Therefore, the Borough entered into an agreement with the developer to deed restrict 10 units.
Habitat for Humanity (family, for sale) – existing, Block 100, Lot 41	1	0	
Total	118	11	Total credits: 129

The parties acknowledge that the Borough's Plan as set forth above exceeds the 42-unit Third Round obligation assigned to it pursuant to this Agreement. Therefore, Borough may carry over any resulting extra credits to future rounds in conformance with the then-applicable law and may take additional bonus credits in such future rounds in conformance with the then-applicable law.

8. The Borough agrees to require 13% of all units referenced in this Agreement, excepting those units that were constructed or granted preliminary or final site plan approval prior to July 1, 2008, to be very low income units, with half of the very low income units being available to families. The municipality will comply with those requirements as follows:

Project	# Affordable Units	# VLI Affordable Unit
Towne Center Project (family rental) – under construction	10	0
Redevelopment Zone (family rental) – proposed	25	5
Total	35	5

9. The Borough shall meet its Third Round Obligation in accordance with the following standards as agreed to by the Parties and reflected in the table in paragraph 7 above:

- a. Third Round bonuses will be applied in accordance with N.J.A.C. 5:93-5.15(d).
- b. At least 50 percent of the units addressing the Third Round Obligation shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households.
- c. At least twenty-five percent of the Third Round Obligation shall be met through rental units, including at least half in rental units available to families.
- d. At least half of the units addressing the Third Round Obligation in total must be available to families.

- e. The Borough agrees to comply with an age-restricted cap of 25% and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may the municipality claim credit toward its fair share obligation for age-restricted units that exceed 25% of all units developed or planned to meet its cumulative prior round and third round fair share obligation.
10. The Borough shall add to the list of community and regional organizations in its affirmative marketing plan, pursuant to N.J.A.C. 5:80-26.15(f)(5), Fair Share Housing Center, the New Jersey State Conference of the NAACP, the New Brunswick, Plainfield Area, Perth Amboy, Warren/Sussex, and Metuchen/Edison branches of the NAACP, the Latino Action Network, NORWESCAP, the Supportive Housing Association, and the Central Jersey Housing Resource Center, and shall, as part of its regional affirmative marketing strategies during its implementation of the affirmative marketing plan, provide notice to those organizations of all available affordable housing units. The Borough also agrees to require any other entities, including developers or persons or companies retained to do affirmative marketing, to comply with this paragraph.
 11. All units shall include the required bedroom distribution, be governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, with the exception that in lieu of 10 percent of affordable units in rental projects being required to be at 35 percent of median income, 13 percent of affordable units in such projects shall be required to be at 30 percent of median income, and all other applicable law. The Borough as part of its Plan shall adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by COAH to ensure that this provision is satisfied. Income limits for all units that are part of the Plan required by this Agreement and for which income limits are not already established through a federal program exempted from the Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26.1 shall be updated by the Borough within 30 days of the publication of determinations of median income by HUD as follows:
 - a. Regional income limits shall be established for the region that the Borough is located within ~~Region 2~~ based on the median income by household size, which shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the county according to the most recent decennial Census. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total households from the most recent decennial Census in the Borough's housing region. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate-income unit for a household of four shall be 80 percent of the regional weighted average median income for a family of four. The income limit for a low-income unit for a household of four shall be 50 percent of the HUD determination of the regional weighted average median income for a family of four. The income limit for a very low income unit for a household of four shall be 30 percent of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no event shall the income limits be less than those for the previous year.

- b. The income limits attached hereto as Exhibit A are the result of applying the percentages set forth in paragraph (a) above to HUD's determination of median income for FY 2018, and shall be utilized until the Borough updates the income limits after HUD has published revised determinations of median income for the next fiscal year.
 - c. The Regional Asset Limit used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3 shall be calculated by the Borough annually by taking the percentage increase of the income limits calculated pursuant to paragraph (a) above over the previous year's income limits, and applying the same percentage increase to the Regional Asset Limit from the prior year. In no event shall the Regional Asset Limit be less than that for the previous year.
 - d. The parties agree to request the Court prior to or at the fairness hearing in this matter to enter an order implementing this paragraph of this Agreement.
12. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311a and -311b and all other applicable law.
 13. As an essential term of this Agreement, within 120 days of Court's approval of this Agreement, the Borough shall introduce and adopt an ordinance or ordinances providing for the amendment of the Borough's Affordable Housing Ordinance and Zoning Ordinance to implement the terms of this Agreement and the zoning contemplated herein and adopt a Housing Element and Fair Share Plan and Spending Plan in conformance with the terms of this Agreement.
 14. The parties agree that if a decision of a court of competent jurisdiction in Hunterdon, Warren, or Somerset County, or a determination by an administrative agency responsible for implementing the Fair Housing Act, or an action by the New Jersey Legislature, would result in a calculation of an obligation for the Borough for the period 1999-2025 that would be lower by more than twenty (20%) percent than the total prospective Third Round Obligation established in this Agreement, and if that calculation is memorialized in an unappealable final judgment, the Borough may seek to amend the judgment in this matter to reduce its fair share obligation accordingly. Notwithstanding any such reduction, the Borough shall be obligated to adopt a Housing Element and Fair Share Plan that conforms to the terms of this Agreement and to implement all compliance mechanisms included in this Agreement, including by adopting or leaving in place any site specific zoning adopted or relied upon in connection with the Plan adopted pursuant to this Agreement; taking all steps necessary to support the development of any 100% affordable developments referenced herein; maintaining all mechanisms to address unmet need; and otherwise fulfilling fully the fair share obligations as established herein. The reduction of the Borough's obligation below that established in this Agreement does not provide a basis for seeking leave to amend this Agreement or seeking leave to amend an order or judgment pursuant to R. 4:50-1. If the Borough prevails in reducing its Third Round Obligation, the Borough may carry over any resulting extra credits to future rounds in conformance with the then-applicable law.
 15. The Borough shall prepare a Spending Plan within the period referenced above, subject to the review of FSHC and approval of the Court, and reserves the right to seek approval from the Court that the expenditures of funds contemplated under the Spending Plan

constitute "commitment" for expenditure pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period for expenditure designated pursuant to those provisions beginning to run with the entry of a final judgment approving this settlement in accordance with the provisions of In re Tp. Of Monroe, 442 N.J. Super. 565 (Law Div. 2015) (aff'd 442 N.J. Super. 563). On the first anniversary of the execution of this Agreement, which shall be established by the date on which it is executed by a representative of the Borough, and on every anniversary of that date thereafter through the end of the period of protection from litigation referenced in this Agreement, the Borough agrees to provide annual reporting of trust fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services. The reporting shall include an accounting of all housing trust fund activity, including the source and amount of funds collected and the amount and purpose for which any funds have been expended.

16. On the first anniversary of the execution of this Agreement, and every anniversary thereafter through the end of this Agreement, the Borough agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to Fair Share Housing Center, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.
17. The Fair Housing Act includes two provisions regarding action to be taken by the Borough during the ten-year period of protection provided in this Agreement. The Borough agrees to comply with those provisions as follows:
 - a. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Borough will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its implementation of the Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether any mechanisms to meet unmet need should be revised or supplemented. Such posting shall invite any interested party to submit comments to the municipality, with a copy to Fair Share Housing Center, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether any mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the court regarding these issues.
 - b. For the review of very low income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of this Agreement, and every third year thereafter, the Borough will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein. Such posting shall invite any interested party to submit comments to the municipality and Fair Share Housing Center on the issue of whether the municipality has complied with its very low income housing obligation under the terms of this settlement.

18. FSHC is hereby deemed to have party status in this matter and to have intervened in this matter as a defendant without the need to file a motion to intervene or an answer or other pleading. The parties to this Agreement agree to request the Court to enter an order declaring FSHC is an intervenor, but the absence of such an order shall not impact FSHC's rights.
19. This Agreement must be approved by the Court following a fairness hearing as required by Morris Cty. Fair Hous. Council v. Boonton Twp., 197 N.J. Super. 359, 367-69 (Law Div. 1984), aff'd o.b., 209 N.J. Super. 108 (App. Div. 1986); East/West Venture v. Borough of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). The Borough shall present its planner as a witness at this hearing. FSHC agrees to support this Agreement at the fairness hearing. In the event the Court approves this proposed settlement, the parties contemplate the municipality will receive "the judicial equivalent of substantive certification and accompanying protection as provided under the FHA," as addressed in the Supreme Court's decision in In re N.J.A.C. 5:96 & 5:97, 221 N.J. 1, 36 (2015). The "accompanying protection" shall remain in effect through July 1, 2025. If this Agreement is rejected by the Court at a fairness hearing it shall be null and void.
20. The Borough entered into a Settlement Agreement with Defendant / Intervenor Washington Station Venture, LP and Washington Venture Investment, Ltd. (the Washington Venture Entities"). The development of property owned by the Washington Venture Entities shall supply the Borough with residential development fees to fund its rehabilitation program set forth in Paragraph 5. The funds anticipated through that agreement shall be included in the Borough's Spending Plan required by this Agreement.
21. The Borough agrees to pay FSHC's attorneys fees and costs in the amount of \$3500 within ten (10) days of the Court's approval of this Agreement pursuant to a duly-noticed fairness hearing. The Borough may delegate this payment obligation to a third party, but if payment is not received by FSHC by the date set forth in this paragraph the Borough shall make payment within 10 days after the date on which the 10-day period ends.
22. If an appeal is filed of the Court's approval or rejection of this Agreement, the Parties agree to defend the Agreement on appeal, including in proceedings before the Superior Court, Appellate Division and New Jersey Supreme Court, and to continue to implement the terms of this Agreement if the Agreement is approved before the trial court unless and until an appeal of the trial court's approval is successful, at which point the Parties reserve their right to rescind any action taken in anticipation of the trial court's approval. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement.
23. This Agreement may be enforced through a motion to enforce litigant's rights or a separate action filed in Superior Court, Warren County. A prevailing movant or plaintiff in such a motion or separate action shall be entitled to reasonable attorney's fees.
24. Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be adjudged by a court to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections.

25. This Agreement shall be governed by and construed by the laws of the State of New Jersey.
26. This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties.
27. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Agreement.
28. The Parties acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each party is the proper person and possess the authority to sign the Agreement, that this Agreement contains the entire understanding of the Parties and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.
29. Each of the Parties hereto acknowledges that this Agreement was not drafted by any one of the Parties, but was drafted, negotiated and reviewed by all Parties and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Each of the Parties expressly represents to the other Parties that: (i) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (ii) it has conferred due authority for execution of this Agreement upon the persons executing it.
30. Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits and Schedules now and/or in the future are hereby made or will be made a part of this Agreement with prior written approval of both Parties.
31. This Agreement constitutes the entire Agreement between the Parties hereto and supersedes all prior oral and written agreements between the Parties with respect to the subject matter hereof except as otherwise provided herein.
32. No member, official or employee of the Borough shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law, absent the need to invoke the rule of necessity.
33. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which all of the Parties hereto have executed and delivered this Agreement.
34. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the respective Parties by certified mail, return receipt requested, or by a recognized overnight or by a personal carrier. In addition, where feasible (for example, transmittals of less than fifty pages) shall be served by facsimile or e-mail. All Notices shall be deemed received upon the date of delivery. Delivery shall be affected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days notice as provided herein:

TO FSHC:

Kevin D. Walsh, Esq.
Fair Share Housing Center
510 Park Boulevard
Cherry Hill, NJ 08002

Phone: (856) 665-5444
Telecopier: (856) 663-8182
E-mail: kevinwalsh@fairsharehousing.org

TO THE BOROUGH:

Tara Ann St. Angelo, Esq.
Gebhardt & Kiefer, P.C.
1318 Route 31 North
P.O. Box 4001
Clinton, NJ 08809
Telecopier: 908-735-9351
Email: tstangelo@gklegal.com

**WITH A COPY TO THE
MUNICIPAL CLERK:**

Borough Clerk
Laurie Barton
100 Belvidere Avenue
Washington, NJ 08827
Email: lbarton@washingtonboro.nj.gov

**WITH A COPY TO
INTERVENOR /
DEFENDANT:**

Robert A. Kasuba, Esq.
Bisgaier Hoff, LLC
25 Chestnut Street, Suite 3
Haddonfield, NJ 08033
rkasuba@bisgaierhoff.com

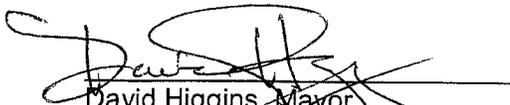
Please sign below if these terms are acceptable.

Sincerely,



Kevin D. Walsh, Esq.
Counsel for Intervenor/Interested Party
Fair Share Housing Center

On behalf of the Borough of Washington, with the authorization
of the governing body:



David Higgins, Mayor
Dated: 12/16/18

EXHIBIT A: 2018 INCOME LIMITS

Prepared by Affordable Housing Professionals of New Jersey (AHPNJ) - April 2018
2018 AFFORDABLE HOUSING REGIONAL INCOME LIMITS BY HOUSEHOLD SIZE
Income limits not officially adopted by the State of New Jersey. Contact your municipality to see if applicable in your jurisdiction. Additional information about AHPNJ income limits is posted on

	1 Person	*1.5 Person	2 Person	*3 Person	4 Person	*4.5 Person	5 Person	6 Person	7 Person	8+ Person	Max Increase Rents** 50%***	Regional Asset Limit****
Region 1												
Bergen, Hudson, Passaic and Sussex	Median \$63,597	\$68,140	\$72,682	\$81,767	\$90,853	\$99,487	\$98,121	\$105,389	\$112,657	\$119,926		
	Moderate \$50,878	\$54,512	\$58,146	\$65,414	\$72,682	\$79,487	\$78,497	\$84,311	\$90,126	\$95,940	2.2%	\$175,679
	Low \$31,798	\$34,070	\$36,341	\$40,884	\$45,426	\$49,969	\$49,060	\$52,695	\$56,329	\$59,963	5.3%	
	Very Low \$19,079	\$20,442	\$21,805	\$24,510	\$27,215	\$28,346	\$29,476	\$31,617	\$33,757	\$35,897		
Region 2												
Essex, Morris, Union and Warren	Median \$66,755	\$71,533	\$76,311	\$86,828	\$95,364	\$99,179	\$102,993	\$110,622	\$118,252	\$125,881		
	Moderate \$53,404	\$57,218	\$61,033	\$68,662	\$76,291	\$79,343	\$82,395	\$89,488	\$94,601	\$100,705	2.2%	\$182,955
	Low \$33,377	\$35,762	\$38,146	\$42,914	\$47,682	\$49,589	\$51,497	\$55,311	\$59,126	\$62,940	1.2%	
	Very Low \$20,026	\$21,657	\$23,287	\$25,748	\$28,609	\$29,754	\$30,898	\$33,187	\$35,475	\$37,764		
Region 3												
Hunterdon, Middlesex and Somerset	Median \$75,530	\$80,925	\$86,320	\$97,110	\$107,900	\$112,216	\$116,532	\$125,164	\$133,796	\$142,428		
	Moderate \$60,424	\$64,740	\$69,056	\$77,685	\$86,310	\$89,773	\$93,236	\$100,131	\$107,027	\$113,942	2.2%	\$205,458
	Low \$37,765	\$40,463	\$43,160	\$48,655	\$53,950	\$56,108	\$58,266	\$62,582	\$66,898	\$71,214	2.2%	
	Very Low \$22,659	\$24,278	\$25,896	\$29,133	\$32,370	\$33,665	\$34,960	\$37,549	\$40,139	\$42,728		
Region 4												
Mercer, Monmouth and Ocean	Median \$69,447	\$74,407	\$79,368	\$89,289	\$99,209	\$103,178	\$107,146	\$115,063	\$123,020	\$130,956		
	Moderate \$55,557	\$59,526	\$63,494	\$71,431	\$79,368	\$82,542	\$85,717	\$92,064	\$98,416	\$104,765	2.2%	\$186,616
	Low \$34,723	\$37,204	\$39,684	\$44,644	\$49,605	\$51,589	\$53,573	\$57,541	\$61,510	\$65,478	5.1%	
	Very Low \$20,824	\$22,322	\$23,819	\$26,787	\$29,753	\$30,953	\$32,144	\$34,525	\$36,906	\$39,287		
Region 5												
Burlington, Camden and Gloucester	Median \$61,180	\$65,550	\$69,920	\$78,660	\$87,400	\$90,896	\$94,392	\$101,384	\$108,376	\$115,368		
	Moderate \$48,944	\$52,440	\$55,936	\$63,828	\$69,920	\$72,717	\$75,514	\$81,107	\$86,701	\$92,294	2.2%	\$181,977
	Low \$30,190	\$32,775	\$35,360	\$41,700	\$45,448	\$47,196	\$48,944	\$52,692	\$56,440	\$59,688	5.05%	
	Very Low \$18,354	\$19,665	\$20,976	\$22,598	\$24,220	\$24,969	\$25,718	\$28,415	\$30,513	\$32,611		
Region 6												
Atlantic, Cape May, Cumberland, and Salem	Median \$51,085	\$54,734	\$58,383	\$65,681	\$72,979	\$75,898	\$78,817	\$84,655	\$90,494	\$96,332		
	Moderate \$40,868	\$43,787	\$46,706	\$52,545	\$58,383	\$60,718	\$63,054	\$67,724	\$72,395	\$77,066	2.2%	\$136,630
	Low \$25,043	\$27,367	\$29,192	\$32,840	\$36,489	\$37,949	\$39,409	\$42,328	\$45,247	\$48,166	0.07%	
	Very Low \$15,326	\$16,420	\$17,515	\$19,704	\$21,894	\$22,789	\$23,684	\$25,997	\$27,148	\$28,300		

* These columns are for calculating the pricing for one, two and three bedroom sale and rental units at per N.J.A.C. 5:80-26.4(a).
** This column is used for calculating the pricing for rent increases for units (as previously calculated under N.J.A.C. 5:97-9.3). The increase for 2015 was 2.3%, the increase for 2016 was 1.1%, the increase for 2017 was 1.7%, and the increase for 2018 is 2.2% (Consumer price index for All Urban Consumers (CPI-U)-Region by expenditure category and commodity and service group). Landlord who did not increase rents in 2015, 2016, or 2017 may increase rent by up to the applicable combined percentage from their last rental increase for that unit. In no case can rent for any particular apartment be increased more than one time per year.
*** This column is used for calculating the pricing for rents increases for units (as previously calculated under N.J.A.C. 5:97-9.3). The price of owner-occupied low and moderate income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum rent price established by the administrative agent be lower than the last recorded purchase price.
**** Low income tax credit developments may increase based on the low income tax credit regulations.
***** The Regional Asset Limit is used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(d)(3).
Note: Since the Regional Income Limits for Region 6 in 2017 were higher than the 2018 calculations, the 2017 income limits will remain in force for 2018 (as previously required by N.J.A.C. 5:97-9.2)(c).

Appendix C

Settlement Agreement between Borough of Washington and Washington Ventures Entities

FILE COPY

SETTLEMENT AGREEMENT

THIS AGREEMENT is herewith made this _____ day of _____ 2018 by and between the **BOROUGH OF WASHINGTON**, a municipal corporation of the State of New Jersey, with its municipal office located at 100 Belvidere Ave., Washington, NJ 07882, (hereinafter "WASHINGTON"), the **PLANNING BOARD OF THE BOROUGH OF WASHINGTON**, a duly constituted planning board under the laws of New Jersey, with its municipal office located at 100 Belvidere Ave., Washington, NJ 07882, (hereinafter the "PLANNING BOARD"), and **WASHINGTON STATION VENTURE, LP** and **WASHINGTON VENTURE INVESTMENT, LTD.** having an address at c/o CBD Real Estate Investment, LLC, 3000 Atrium Way, Suite 233, Mount Laurel, New Jersey 08054 (hereinafter the "WASHINGTON VENTURE ENTITIES").

WITNESSETH:

WHEREAS, Washington has filed a Declaratory Judgment Action in the Superior Court of New Jersey, Warren County, captioned IMO Borough of Washington, Docket No. WRN-L-230-15 (the "Declaratory Judgment Action"), in furtherance of the Supreme Court's March 10, 2015, decision In re Adoption of N.J.A.C. 5:96 & 5:97 by N.J. Council on Affordable Housing, 221 N.J. 1 (2015) (the "Supreme Court Decision"), which was assigned to the Honorable Thomas C. Miller P.J. Cv.; and

10/2/18 gave Matt H
(2) originals w/ signatures

WHEREAS, pursuant to a Consent Order filed on or about November 6, 2015, the Washington Venture Entities are defendant-intervenors in the above-referenced Declaratory Judgment Action; and

WHEREAS, the Washington Venture Entities are the owners of certain property designated as Block 97, Lots 2, 3 and 4 and Block 97.01, Lot 1 on the Tax Maps of the Borough of Washington and consisting of approximately 126 acres (the "Property"); and

WHEREAS, the Property is currently zoned for M-3 (Mountain District) with a minimum lot size of 3 acres; and

WHEREAS, Washington and the Washington Venture Entities have engaged in extensive settlement discussions; and

WHEREAS, through such settlement discussions, the Washington Venture Entities have stated that it desires to develop a portion of the Property as a for-sale residential development, and through such development, assist Washington in its efforts to meet its affordable housing obligations in connection with the Declaratory Judgment Action; and

WHEREAS, the Washington Venture Entities have also stated that it desires to develop a small section of the property with a cell tower, sell a portion of the Property to the adjacent

cemetery, and sell the remaining portion of the Property to Washington as preserved open space; and

WHEREAS, the Parties understand that the Borough will be able to maintain its Judgment of Compliance and Repose (if issued by the Court) and the open space acquisition described herein, even if the remainder of the Property is ultimately not developable due to circumstances outside the Borough's control (i.e. engineering or environmental);

NOW, THEREFORE, in consideration of the mutual promises, covenants, and representations herein contained, the parties hereto, for themselves, their heirs, successors and assigns, hereby agree as follows:

1. Single Family Home Development.

a. As part of Washington's compliance plan that shall be developed to address its affordable housing obligation under the Declaratory Judgment Action, a portion of the Property shall be re-zoned to enable the Washington Venture Entities, or its successors in interest, to develop as of right a portion of the Property consisting of approximately 35 acres as depicted on **Exhibit A**, with no more than fifty (50) for sale single family homes (the "Residential Lot). It is contemplated that the Residential Lot will be further subdivided into fifty (50)

individual, small lot residential lots and common areas for open space, roadways, and stormwater management facilities. It is further contemplated that a home owners' association will be established. Washington shall re-zone such portion of the Property pursuant to an ordinance to allow for such development within reasonable parameters customary for single-family home subdivisions while taking into account specific constraints of the Property. The specific zoning standards are to be developed by the Parties' professionals. If the Parties are unable to come to an agreement, the Court shall appoint an individual with planning and engineering experience to make recommendations regarding the items of disagreement, which shall be subject to the Court's review if challenged by either Party.

b. Access to the Property shall primarily be through Nunn Avenue. The Washington Venture Entities, or their successor in interest, shall be responsible for any off-tract improvements to Nunn Avenue in accordance with applicable law if required by another other Federal, State, or County agency. It is the Parties' understanding that any off-tract improvements to Nunn Avenue shall not require a widening of the cartway of Nunn Avenue, and that the existing cartway width of Nunn Avenue may be extended into the site for purposes of the wetlands crossing. Should it be found that Nunn Avenue is not compliant with the

Residential Site Improvement Standards ("RSIS"), if applicable, the Parties will cooperate in granting a waiver for such width requirements or such other relief as appropriate. . Emergency access *only* can be provided through the adjacent cemetery pursuant to an access easement, which restriction the Washington Venture Entities agree shall be a condition of any subdivision or site plan approval. Sufficient barriers shall be provided to restrict such access to emergency vehicles.

c. The roads within the residential development shall be private roads, and Washington shall bear no obligation or responsibility to maintain such, except for any obligations set forth in the Municipal Services Act, N.J.S.A. 40:67-23.2 et seq.

d. Washington shall provide services, or the appropriate reimbursement, to the residential development in compliance with the Municipal Services Act, N.J.S.A. 40:67-23.2 et seq.

d. In order to assist Washington's efforts to comply with its affordable housing obligation, and as part of Washington's compliance plan that shall be developed to address its affordable housing obligation under the Declaratory Judgment Action, the Washington Venture Entities shall pay a residential development fee of one and one half (1 ½) percent of equalized assessed value of the residential units in lieu of providing an affordable housing set aside on the Property as part of its

residential development. The Washington Venture Entities, or their successor in interest, further agree to pay any other non-residential development fee required by applicable statute, rule, regulation, or ordinance.

e. Development of the residential units on the Residential Lot contemplated by this Agreement may proceed independent of development of the cell tower or sale to the cemetery contemplated by this Agreement. Development of the residential units may proceed in phases, at the discretion of the Washington Venture Entities or its successors in interest.

2. Sale to Cemetery.

The parties understand that, as part of this Agreement, the Washington Venture Entities, or its successors in interest, desire to sell a portion of the Property consisting of approximately 10 acres as depicted on Exhibit A to the owner of the adjacent cemetery, with the intended use to expand the cemetery (the "Cemetery Lot").

Washington shall re-zone the Cemetery Lot, within reasonable parameters, for uses consistent with and supportive of the existing, adjacent cemetery. The specific zoning standards are to be developed by the Parties' professionals. If the Parties are unable to come to an agreement, the Court shall

appoint an individual with planning and engineering experience to make recommendations regarding the items of disagreement, which shall be subject to the Court's review if challenged by either Party. Nothing herein shall relieve the Washington Venture Entities or their successors in interest from any requirement to obtain site plan or other governmental approvals in compliance with applicable statutes, rules, regulations, or ordinances.

3. Cell Tower Development. The parties understand that, as part of this Agreement, the Washington Venture Entities, or its successors in interest, desire develop a portion of the Property consisting of approximately 10,000 sq. feet as depicted on Exhibit A with a cell tower.

Washington shall make cell towers a permitted use in the proposed cemetery zone within reasonable parameters and customary to cell tower use. The specific zoning standards are to be developed by the Parties' professionals. If the Parties are unable to come to an agreement, the Court shall appoint an individual with planning and engineering experience to make recommendations regarding the items of disagreement, which shall be subject to the Court's review if challenged by either Party. Nothing herein shall relieve the Washington Venture Entities or their successors in interest from any requirement to obtain site

plan or other governmental approvals in compliance with applicable statutes, rules, regulations, or ordinances.

4. Open Space Preservation. The portion of the Property not intended for development for residential, cemetery, or cell tower use, consisting of approximately 80 acres as approximated on Exhibit A, shall be sold to Washington and deed-restricted as public open space. Notwithstanding the above provisions, nothing herein shall prohibit the Washington Venture Entities from donating or selling a portion of the Property to a non-profit or government entity to be restricted for use as open space in the future.

a. Purchase Price. The purchase price shall be \$1,000,000.00, contingent upon an appraisal of the Property, or as otherwise agreed to by the Parties.

b. Payment of Purchase Price. Washington will pay the purchase price at closing of title, by attorney trust account check.

c. Washington's Contingencies. Washington's obligation to close is contingent upon the following:

i. passage of an ordinance by Washington approving the open space purchase, contemplated herein, which shall be done within sixty (60) days of passage of the bond ordinance contemplated in subsection (c.ii) hereunder;

ii. passage of a bond ordinance by Washington to fund the purchase, which shall be done within ninety (90) days of receipt of an appraisal of the Property; and

iii. receipt of grant monies from the State of New Jersey Green Acres Program and Warren County.

The parties understand that Washington's purchase of a portion of the Property is to be funded by grant monies. Washington will take all reasonable actions necessary to cooperate in and facilitate the grant process. However, in the event that Washington does not receive such monies, Washington can waive such contingency. Once these contingencies have been met or waived, Washington will notify the Washington Venture Entities in writing.

The foregoing contingencies must be satisfied before the Final Compliance Hearing. If the foregoing contingencies are not satisfied and do not appear to be able to be satisfied, the Parties shall consult with the Court regarding whether the purposes of the Agreement can be fulfilled and, if so, shall remain in effect or whether the Agreement shall be void and of no effect.

d. Agreement of Sale / Time and Place of Closing. The closing date is subject to the contingencies set forth herein and cannot be made final at this time. The Parties shall

cooperate regarding a reasonable closing date, which shall occur as soon as possible following the Final Compliance Hearing.

5. Subdivision Approval. The Planning Board is a signatory and party to this Agreement and hereby endorses this Agreement and its role in the process contemplated for development of the Property.

The Washington Venture Entities shall apply to the Planning Board within a reasonable time of the signing of this Agreement to subdivide the Property into the four (4) lots as set forth herein (1 residential; 1 cemetery; 1 cell tower and 1 open-space), in order to facilitate the development contemplated. The Subdivision Plan shall be substantially consistent with **Exhibit A**. It is contemplated that the Residential Lot shall be further subdivided into fifty (50) lots for the single-family homes and potentially additional lots for the common open space to be managed by a homeowners' association.

6. Adoption of Zoning Ordinances. Within sixty (60) days of the Court conducting a Fairness Hearing in the Declaratory Judgment Action, Washington shall introduce an ordinance to re-zone the newly created lots, in accordance with this Agreement, subject to the standards set forth in Sections 1-3 above (the "Zoning Ordinances"). Mayor and Council shall adopt the Zoning Ordinances within thirty (30) days of their introduction. These

time periods may be extended by agreement of the Parties, provided that the Zoning Ordinance must be adopted before the Final Compliance Hearing. The Zoning Ordinances may contain a provision that the rezoning shall only become effective upon the Court's approval at a Final Compliance Hearing.

Following their adoption, the Zoning Ordinances shall not be amended or rescinded, without written approval of the Washington Station Venture Entities, or order of the Court for a period of at least ten (10) years.

7. Approvals Required. Site plan, subdivision, and other necessary land development approvals by the Planning Board and all other necessary outside governmental approvals are required. All applications for such approvals shall comply with the MLUL.

7. Necessary Infrastructure and Water Availability. The Washington Venture Entities shall be responsible for the design, permitting, and construction of all infrastructure improvements that are necessitated or required for development of the Property, including any off-tract improvements, subject to the MLUL. Required infrastructure improvements will be designed in connection with the preliminary site plan and subdivision application(s). Review of proposed infrastructure improvements by Washington professionals shall be funded through any escrow account established pursuant to such subdivision or site plan applications. Washington makes no representations regarding the

availability of water or sewer to serve the proposed development, but shall cooperate with the Washington Venture Entities, or their successors in interest, in obtain approvals for any necessary infrastructure to serve the proposed development pursuant to Paragraph 8. The Washington Venture Entities shall be responsible for making any required applications for sewer and / or water reservation.

8. Municipal Obligation to Cooperate. The Parties recognize that the development contemplated by this Agreement may require approvals from other governmental agencies and bodies, including but not limited to those at the county, regional, State, and federal levels; and that to construct its proposed project, the Washington Venture Entities will be required to obtain any and all necessary and applicable agreements, approvals, and permits from all relevant public entities and utilities, such as, by way of example only, the Planning Board, the County of Warren, the Warren County Planning Board, the New Jersey Department of Environmental Protection, New Jersey Department of Transportation, and the Warren County Soil Conservation District. Washington, including all of its respective members, officials, employees, consultants, agents, and representatives, agree to cooperate with the Washington Venture Entities, through action, word, and deed, including the execution of any writing, resolution, plan, application, or document needed to assist and

support the Washington Venture Entities in obtaining all necessary approvals, including but not limited to, revisions or amendments to its sewer service areas, and cooperation with any efforts by the Washington Venture Entities to obtain sufficient capacity and quality of water to serve the residential component contemplated for the Property. However, such cooperation from Washington and the Planning Board shall not include any financial obligation or ownership obligation by Washington or the Planning Board.

Washington and the Planning Board agree to cooperate with the Washington Venture Entities, through action, word, and deed, including the execution of any writing, resolution, plan, application, and/or document needed to assist and support the Washington Venture Entities with respect to any applications for approval of any wastewater management plan amendments, section 208 plan amendments, or any other outside approvals necessary to construct the project improvements as contemplated under this Agreement. The Washington Venture Entities shall pay the cost for any required applications or reimburse Washington for these costs upon presentation of certified invoices for such costs. Upon such payment, the Washington Venture Entities shall be entitled to reserve its rights to contest the magnitude of the costs before an appropriate administrative tribunal with jurisdiction, or the Superior Court of New Jersey, Law Division,

under a procedure similar to the procedure in the MLUL, N.J.S.A. 40:55D-53.2a ("Applicant notification to dispute charges; appeals; rules, regulations"), which provides for the challenge of professional fees placed in escrow.

Notwithstanding the foregoing, Washington and the Planning Board shall not be obligated to expend any funds to obtain, or assist in obtaining, the required approvals, except for the costs of municipal employees, as is ordinary and customary in the conduct of Washington's and the Planning Board's business, and except that Washington and the Planning Board shall be financially liable for their counsel and professional consultants in connection with the drafting review and execution of this Agreement, and the fees of counsel and professionals associated with the review of and hearings on the Zoning Ordinances and Master Plan amendments contemplated by this Agreement. The Washington Venture Entities shall be responsible for all professional review fees authorized by applicable statutes, regulations, and Washington ordinances for the subdivision and land use application(s) contemplated by this Agreement. The obligation to cooperate is subject to the obligation of the Washington Venture Entities to make timely payment of all real property taxes, and any other relevant fees due and owing during the term of this Agreement.

9. Court Approval and Contingencies. This Agreement does not purport to resolve entirely Washington's compliance with its obligations under the Mount Laurel Doctrine. The parties anticipate that Washington will amicably satisfy its entire obligations under the Mount Laurel Doctrine by entering into a separate settlement agreement with Fair Share Housing Center ("FSHC"), which will be subject to a Fairness Hearing and a Final Compliance Hearing. This Agreement and the satisfaction of the obligations of Washington and the Planning Board shall be made a material and integral part of Washington's compliance plan that is contemplated to be presented to the Court in the Declaratory Judgment Action, and this Agreement and the satisfaction of the obligations of Washington and of the Planning Board shall be made a material and integral part of any settlement Washington enters into with FSHC in connection with the Declaratory Judgment Action.

Should the contingencies of this Agreement not be satisfied and this Agreement becomes void and of no effect, then any agreement the Borough has entered into with FSHC with reliance on this Settlement Agreement shall also become void and of no effect, and the Parties and FSHC must begin negotiations anew or otherwise continue with the litigation with no prejudice to any Party. This Agreement shall be contingent upon the approval

by the Superior Court of a settlement of the Declaratory Judgment Action at a Fairness Hearing.

Any determination of fairness made by the Superior Court and any judgment of compliance and order of repose entered by the Superior Court in the Declaratory Judgment Action shall include a determination and condition ordering Washington to satisfy and implement its obligations of re-zoning and cooperation under this Agreement as a material and integral part of any such determination or Judgment, if Washington has not already done so.

10. No Objection to Amended Fair Share Plan. By executing this Agreement, the Washington Venture Entities agree not to object to any settlement reached between Washington and Fair Share Housing Center or to any compliance plan that is a result of such settlement or at any resulting fairness or compliance hearings, provided this Settlement Agreement is made a material and integral part of any settlement with FSHC and any compliance plan of Washington.

11. Appeals. In the event an appeal is filed by a third party from entry of a Final Judgment of Compliance relating to the provisions of this Settlement Agreement or from any other action taken pursuant this Settlement Agreement, the Washington Venture

Entities shall have the right to defend the action, intervening if necessary to do so. Washington shall also defend in any appeal from adoption of the Zoning Ordinances contemplated herein as well as in any appeal where the Washington Venture Entities are not permitted by the court to intervene with full rights to brief and argue the appeal. If Washington is obligated to defend an appeal of the adoption of the Zoning Ordinances and the Washington Venture Entities are not permitted to intervene in such action, the Washington Venture Entities shall reimburse Washington for all reasonable attorney's fees expended in defending such action.

The Washington Venture Entities shall also have the right to appeal any decision of NJDEP if the Washington Venture Entities determine such decision will detrimentally affect the development of the Property as proposed under this Agreement. Washington will not oppose any such appeal, but will not have any obligation to participate in such proceedings.

12. Agreement Binding and Enforceable. Upon execution, this Agreement shall be binding upon the parties, their heirs, successors-in-interest and assigns. This Agreement shall be enforceable in the Law Division of Superior Court.

13. Miscellaneous.

a. The Parties hereto hereby represent and warrant to each other that the execution and delivery of this Agreement by

the designated signatories hereto has been duly authorized by all necessary and appropriate actions and that this Agreement is therefore binding upon each of the Parties hereto.

b. The Parties hereto hereby covenant and agree to cooperate with each other in good faith and in a timely manner to implement the provisions of this Agreement and to satisfy the contingencies set forth herein.

c. This Agreement may only be modified by a writing signed by authorized representatives of each of the Parties hereto.

d. This Agreement shall be governed by and construed and enforced pursuant to the laws of the State of New Jersey, without regard to its conflict of laws principles. Any action hereunder shall be brought exclusively in a court of the State of New Jersey sitting in Hunterdon County, New Jersey, and the Parties hereby waive all objections to such venue.

e. In the event that any of the parties shall fail to perform any material obligation on its part to be performed pursuant to the terms and conditions of this Agreement, unless such obligation is waived by all of the other parties for whose benefit such obligation is intended, or by the Court, such failure to perform shall constitute a default of this Agreement. Upon the occurrence of any default, the non-defaulting party shall provide notice of the default and the defaulting party

shall have a reasonable opportunity to cure the default within forty-five (45) days. In the event the defaulting party fails to cure within forty-five (45) days or such reasonable period of time as may be appropriate, the party(ies) for whose benefit such obligation is intended shall be entitled to exercise any and all rights and remedies that may be available in equity or under the laws of the State of New Jersey, including the right of specific performance to the extent available. Further the parties may apply to the Court for relief, by way of a motion for enforcement of litigant's rights.

f. Effect of Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in Portable Document Format (PDF Adobe Acrobat) or other means of electronic transmission shall be as effective as delivery of a manually executed counterpart of this Agreement and shall be deemed to be an original signature. Any signature by facsimile or Portable Document Format (PDF Adobe Acrobat) or other means of electronic transmission shall be supplemented by the delivery of an original counterpart upon request of any party pursuant to the terms for notice set forth herein.

g. Voluntary Agreement. The parties acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each party is the proper person and possess the authority to sign the Agreement, that this Agreement contains the entire understanding of the parties and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.

h. Interpretation. Each of the parties hereto acknowledges that this Agreement was not drafted by any one of the parties, but was drafted, negotiated and reviewed by all parties, and, therefore, the presumption of resolving ambiguities against the drafter shall not apply, Each of the parties expressly represents to the other Parties that: (a) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (b) it has conferred due authority for execution of this Agreement upon the person(s) executing it.

i. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior oral and written agreements between the parties with respect to the subject matter hereof except as otherwise provided herein.

j. Effective Date. Anything herein contained to the contrary notwithstanding, the effective date ("Effective Date") of this

Agreement shall be the date upon which all of the parties hereto have executed and delivered this Agreement.

k. Waiver. Each of the parties waives all rights to challenge the validity or the ability to enforce this Agreement. Failure to enforce any of the provisions of this Agreement by any of the Parties shall not be construed as a waiver of these or other provisions.

l. Notice of Actions. The parties and their respective counsel agree immediately to provide each other with notice of any lawsuits, actions or governmental declarations threatened or pending by third parties of which they are actually aware which may affect the provisions of this Agreement.

IN WITNESS WHEREOF, Property Owner has executed this Agreement the date and year above first appearing.

[SIGNATURE PAGE FOLLOWS]

WASHINGTON STATION VENTURE, LP &
WASHINGTON VENTURE INVESTMENT, LTD.

WITNESS:

By: _____

Name: _____

Title: _____

WITNESS:

Laurie Barton

Laurie Barton, Clerk

BOROUGH OF WASHINGTON

By: David Higgins

David Higgins, Mayor

WITNESS:

Patricia Titus

Patricia Titus, Clerk

BOROUGH OF WASHINGTON
PLANNING BOARD

By: Marianne Van Deursen

Marianne Van Deursen, Chair

WASHINGTON STATION VENTURE, LP &
WASHINGTON VENTURE INVESTMENT, LTD.

WITNESS:

raj bely

By: 

Name: David Wamoner

Title: Managing Member/President

BOROUGH OF WASHINGTON

WITNESS:

Laurie Barton, Clerk

By: _____

David Higgins, Mayor

BOROUGH OF WASHINGTON
PLANNING BOARD

WITNESS:

Patricia Titus, Clerk

By: _____

Marianne Van Deursen, Chair

RIDER AND AMENDMENT TO SETTLEMENT AGREEMENT

THIS RIDER AND AMENDMENT TO A SETTLEMENT

AGREEMENT ("Rider") is herewith made this 18th day of December 2018 by and between the **BOROUGH OF WASHINGTON**, a municipal corporation of the State of New Jersey, with its municipal office located at 100 Belvidere Ave., Washington, NJ 07882, (hereinafter "WASHINGTON"), and **WASHINGTON STATION VENTURE, LP** and **WASHINGTON VENTURE INVESTMENT, LTD.** having an address at c/o CBD Real Estate Investment, LLC, 3000 Atrium Way, Suite 233, Mount Laurel, New Jersey 08054 (hereinafter the "WASHINGTON VENTURE ENTITIES").

WITNESSETH:

WHEREAS, Washington entered into a Settlement Agreement with the Washington Venture Entities pursuant to Borough Council Resolution 2018-98 adopted on July 10, 2018 (the "Settlement Agreement"); and

WHEREAS, Paragraph 4 of the Settlement Agreement contemplates purchase of certain property for open space purposes by Washington from the Washington Venture Entities utilizing a combination of Borough funding and grant funding from the State of New Jersey Green Acres Program ("Green Acres") and Warren County; and



WHEREAS, since the execution of the Settlement Agreement, Washington has executed a Project Agreement with the New Jersey Department of Environmental Protection ("NJDEP") concerning the Green Acres funding, obtained approval of funding from Warren County, and obtained two appraisals on the property sought to be acquired as open space; and

WHEREAS, one of the appraisals dated August 21, 2018, prepared by Norman J. Goldberg, Inc., established a valuation of \$863,000, and another appraisal dated August 30, 2018, prepared by Mark Tinder Appraisals, Inc., established a valuation of \$813,000; and

WHEREAS, the parties wish to amend the Settlement Agreement to reflect the grant funding obtained and Washington's commitment to provide certain funding for the purchase of the open space parcel.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and representations herein contained, the parties hereto, for themselves, their heirs, successors and assigns, hereby agree as follows:

1. Paragraph 4(a) of the Settlement Agreement shall be amended to read as follows, "The purchase price shall be eight



hundred thirty-eight thousand dollars (\$838,000.00), which is the average of the two appraisals."

2. The following shall be added to the end of Paragraph 4(b) of the Settlement Agreement, "The Borough hereby agrees to contribute funding for the purchase of the open space parcel in an amount equal to the difference of appraisal price and the total grant funding obtained from the NJDEP and Warren County."

3. The contingencies set forth in Paragraph 4(c) of the Settlement Agreement are hereby deemed to be satisfied, and the Borough shall be obligated to proceed with the acquisition of the open space parcel.

4. Paragraph 4(d) of the Settlement Agreement is hereby amended as follows, "The Borough shall promptly schedule a closing to acquire the open space parcel, which may include the passing of a bond ordinance to fund the Borough's contribution to the purchase price, upon receipt of a commitment to fund by the NJDEP."

5. The following sentence of Paragraph 9 of the Settlement Agreement is deleted, "Should the contingencies of this Agreement not be satisfied and this Agreement becomes void and of no effect, then the agreement the Borough has entered into with FSHC with reliance on this Settlement Agreement shall also become void and of no effect, and the Parties and FSHC must begin negotiations anew or otherwise continue with the

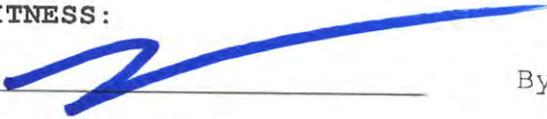
litigation with no prejudice to any Party." The other terms and conditions of Paragraph 9 remain in full force and effect.

6. This Rider shall be governed by the same terms as set forth in Paragraph 13 of the Settlement Agreement titled, "Miscellaneous."

IN WITNESS WHEREOF, the Parties have executed this Agreement the date and year above first appearing.

**WASHINGTON STATION VENTURE, LP &
WASHINGTON VENTURE INVESTMENT, LTD.**

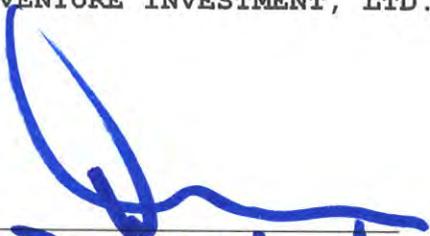
WITNESS:



By: _____

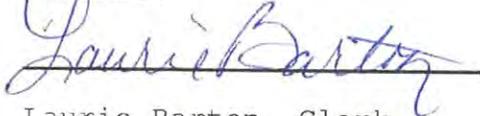
Name: _____

Title: _____


David W. ...
Manager, David ...

BOROUGH OF WASHINGTON

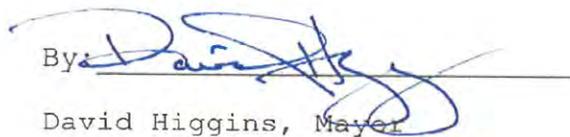
WITNESS:



Laurie Barton, Clerk

By: _____

David Higgins, Mayor



**Express Times****LEGAL AFFIDAVIT**

AD#: 0008829135

Total

\$730.20

State of Pennsylvania,) ss
 County of Northampton)

Amanda Duane being duly sworn, deposes that he/she is principal clerk of NJ Advance Media; that Express Times is a public newspaper, with general circulation in Lehigh and Northampton Counties, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):
Express Times 10/04/2018

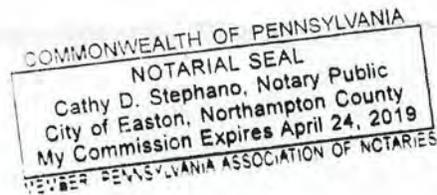
Amanda Duane

Principal Clerk of the Publisher

Sworn to and subscribed before me this 4th day of October 2018

Cathy D. Stephano

Notary Public



**NOTICE OF FAIRNESS HEARING TO APPROVE
 SETTLEMENT OF MOUNT LAUREL LITIGATION
 FOR THE BOROUGH OF WASHINGTON, WARREN COUNTY
 Docket No. WRN-L-230-15**

PLEASE TAKE NOTICE that on November 5, 2018, beginning at 9:00 A.M., there will be a Fairness Hearing ("Hearing") regarding the Borough of Washington's Settlement Agreement with Washington Station Venture, LP and Washington Venture Investment, Ltd. ("Washington Venture Entities") before the Honorable Thomas C. Miller, P.J.Cv., at the Somerset County Courthouse, 20 North Bridge Street, Somerville, New Jersey 08876.

The purpose of the Hearing is for the Court to consider a proposed Settlement Agreement between the Borough of Washington (the "Borough"), and Intervenor / Defendant Washington Station Venture, LP and Washington Venture Investment, Ltd. ("Washington Venture Entities") in the Mount Laurel Declaratory Judgment Action entitled in the Matter of the Borough of Washington, Docket No. WRN-L-230-15. The Court shall consider the Borough's Settlement Agreement with Fair Share Housing Center ("FSHC") setting the Borough's Prospective and Present affordable housing obligations at a later date during a separately-noticed fairness hearing. On the date of the Hearing, the Court will conduct a Fairness Hearing to determine whether the proposed Settlement Agreement is fair to low and moderate income households and partially addresses in accordance with applicable law the Borough's affordable housing obligations pursuant to the Mount Laurel decisions and their progeny, the Fair Housing Act (N.J.S.A. 52:27D-301, et seq.), and the applicable procedural and substantive regulations of COAH and the Supreme Court's March 10, 2015 decision in the matter of In re N.J.A.C. 5:96 & N.J.A.C. 5:97, 221 N.J. 1 (2015) to partially satisfy the Borough's affordable housing responsibilities for the period 1999-2025.

The Washington Venture Entities own certain property property designated as Block 97, Lots 2, 3 and 4 and Block 97.01, Lot 1 on the Tax Maps of the Borough of Washington and consisting of approximately 126 acres (the "Property"). As part of the above-reference litigation, the Borough and the Washington Venture Entities engaged in settlement discussions regarding the Property's suitability for multi-family inclusionary zoning. The Borough and the Washington Venture Entities have resolved various substantive issues concerning the Borough's affordable housing "fair share" and the means by which the Borough intends to satisfy those obligations, subject to all required public hearings. The terms of the settlement have been memorialized in a formal Settlement Agreement executed on behalf of the Borough and the Washington Venture Entities available for public inspection and copying during regular business hours at the Office of the Borough Clerk, 100 Belvidere Avenue, Washington, NJ 07882. The terms of the Settlement Agreement include, but are not limited to, the following:

1. For the purposes of this Settlement Agreement, Washington Venture Entities shall be permitted to construct 50 for sale single-family homes on approximately 35 acres of the Property and shall pay to the Borough all applicable residential development fees, which shall be deposited into the Borough's Affordable Housing Trust Fund.

2. For purposes of the Settlement Agreement, approximately 10 acres of the Property will be zoned for cemetery use and a small portion shall be zoned to permit the construction of a cell tower.

3. For purposes of the Settlement Agreement, the remaining approximately 81 acres shall be preserved as open space using Green Acres grant monies, County grant monies, and Borough open space trust funds.

Any interested third party that seeks to appear and be heard at November 5, 2018 Hearing on the proposed Settlement Agreement shall have the opportunity to present any position on such. Objections or comments by any interested person

must be filed with the Court at the above address on or before October 29, 2018 with duplicate copies being forwarded by mail and e-mail to the attention of the following:

Tara Ann St. Angelo, Esq.
Gebhardt & Kiefer
1318 Route 31
Clinton, New Jersey 08809
tstangelo@gklegal.com

Kevin Walsh, Esq.
Fair Share Housing Center
510 Park Boulevard
Cherry Hill, New Jersey 08002-3318
kevinwalsh@fairsharehousing.org

The Honorable Peter A. Buchsbaum, Ret.
Lanza & Lanza, LLP
5 Main Street
Flemington, New Jersey 08822
pabuchsbaum@lanzaandlanza.com

Robert A. Kasuba, Esq.
Bisgaier Hoff, LLC
25 Chestnut Street, Suite 3
Haddonfield, NJ 08033
rkasuba@bisgaierhoff.com

This Notice is intended to inform interested parties of the proposed Settlement Agreement and inform such parties that they are able to comment on said Settlement Agreement before the Court reviews and evaluates whether to approve the Settlement Agreement. This Notice does not indicate any view by the Court as to the fairness or the adequacy of the Settlement Agreement.

Appendix D

Rehabilitation Inventory

**Warren County Housing Rehabilitation Program
Washington Borough Cases 2000 - 2019**

Case #	ADDRESS	TOWNSHIP	DATE	AMOUNT	BLOCK	LOT	Unit Number	Owner/Renter
001-00	39 Beethovan Ave	Washington Boro	5/25/2000	\$5,650.00	79	7	1	Owner
002-00	168 E. Washington	Washington Boro	02/26/01	\$15,650.00	65	4	1	Owner
005-01	127 Railroad Ave	Washington Boro	10/10/01	\$40,140.00	76.01	3	2	Owner
009-00	34-36 Carlton Ave	Washington Boro	03/22/01	\$8,370.00	6	30	2	Renter
016-00	33 Belvidere Ave	Washington Boro	11/21/00	\$34,715.00	23	11	1	Owner
018-00	23 Carlton Ave	Washington Boro	07/26/00	\$12,545.00	19	2	1	Owner
021-00	185 E Washington Ave	Washington Boro	10/12/01	\$57,685.00	80	10	2	Renter
022-00	189 E Washington Ave	Washington Boro	10/10/01	\$12,647.00	80	11	2	Renter
023-00	42 School Street	Washington Boro	07/18/01	\$16,705.00	25	3	1	Owner
WB 10-06	17 Ramapo Way	Washington Boro	12/20/06	\$29,498.00	15.08	101	1	Owner
WB 1-02	113 Harding Drive	Washington Boro	07/09/02	\$27,603.00	71	6	1	Owner
WB 1-04	26 State Street	Washington Boro	05/13/05	\$43,116.00	12	2	2	Owner
WB 11-06	179 E Washington Ave	Washington Boro	07/31/06	\$41,449.00	80	7	1	Owner
WB 15-06	3 Lenape Trail	Washington Boro	07/12/07	\$14,331.00	101	13.05	1	Owner
WB 19-07	100 Taft Terrace	Washington Boro	01/21/08	\$33,887.00	71.01	8	1	Owner
WB 20-08	342 North Prospect St	Washington Boro	11/20/08	\$25,686.00	6	7.03	1	Owner
WB 2-03	26 N Lincoln Ave	Washington Boro	02/18/04	\$32,305.00	22	4	1	Owner
WB 2-05	234 Belivedere Ave	Washington Boro	04/15/05	\$25,125.00	35	41	2	Owner
WB 21-08	20-22-24 Madison St	Washington Boro	04/28/09	\$26,522.00	22.02	6	1	Owner
WB 22-09	89 West Johnston St	Washington Boro	11/10/09	\$7,455.00			1	Owner
WB 23-09	88 Lenape Trail	Washington Boro	07/02/09	\$30,877.00	101	15.49	1	Owner
WB 26-09	42 State Street	Washington Boro	02/09/10	\$39,063.45	13	3	1	Owner
WB 29-10**	1-7, 2-8 Gardners Court	Washington Boro	04/27/11	\$17,024.00	100	2	8	-
WB 30-11	62 Cornish Street	Washington Boro	09/18/12	\$25,245.80	100	37	1	Owner
WB 3-04	3 Sunrise Terrace	Washington Boro	08/11/04	\$19,205.00	43	3	1	Owner
WB 3-05	102 Myrtle Ave.	Washington Boro	05/04/05	\$36,748.00	44	28	1	Owner
WB 32-12	8 Vannatta Street	Washington Boro	10/09/13	\$25,462.89	94	19	1	Owner
WB 34-13	20 South Lincoln Avenue	Washington Boro	12/26/13	\$7,553.00	98	12	1	Owner
WB 35-13	16-20 East Stewart Street	Washington Boro	12/16/14	\$18,319.39	30.01	9	3	Renter
WB 36-13	147-149 Belvidere Avenue	Washington Boro	01/14/15	\$27,334.77	21.02	5	3	Renter
WB 38-16	44 Grand Avenue	Washington Boro	05/17/16	\$9,262.54	14.01	6	1	Owner
WB 39-16	116 No Prospect St	Washington Boro	12/13/16	\$9,774.77	8	4	1	Owner

**Warren County Housing Rehabilitation Program
Washington Borough Cases 2000 - 2019**

Case #	ADDRESS	TOWNSHIP	DATE	AMOUNT	BLOCK	LOT	Unit Number	Owner/Renter
WB 4-05	58 W Church Street	Washington Boro	08/18/04	\$38,132.00	11	9	1	Owner
WB 5-02	234 Belvedere Ave	Washington Boro	11/15/02	\$7,398.00	35	41	2	Owner
WB 5-04	26 Nunn Ave	Washington Boro	06/29/04	\$12,225.00	97.02	6	1	Owner
WB 5-05	43 So. Wandling Ave	Washington Boro	08/29/05	\$14,506.00	98	45	1	Owner
WB 6-02	26 Nunn Ave	Washington Boro	01/13/03	\$9,075.00	97	6	1	Owner
WB 6-03	98 Youmans Ave	Washington Boro	09/30/03	\$44,308.00	82	15	1	Owner
WB 6-05	121 N. Lincoln Ave	Washington Boro	10/03/05	\$23,826.00	6	31	1	Owner
WB 7-04	324 Belvidere Ave.	Washington Boro	04/15/05	\$49,329.57	35	41	1	Owner
WB 7-05	252 E. Washington Ave.	Washington Boro	12/15/05	\$30,068.00	70	2	2	Owner
WB 8-05	74 Lenape Trail	Washington Boro	09/01/05	\$13,681.00	101	15.15	2	Owner
WB 9-05	33 Cornish Street	Washington Boro	01/12/06	\$30,190.00	98	6	1	Owner

TOTAL							1,049,693.18	55
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** Please note that Case Number WB29-10/1-7, 2-8 Gardners Court is omitted from the total number of rehabilitated units as this site counts towards the Borough's Round 3 Need.

Appendix E
Westgate Apartments Documentation
(Block 6 Lots 11.01 & 11.02)



WARREN COUNTY – STATE OF NEW JERSEY
PATRICIA J. KOLB – WARREN COUNTY CLERK
413 SECOND STREET, BELVIDERE, NJ 07823

COUNTY CLERK'S RECORDING PAGE
THIS PAGE IS PART OF THE DOCUMENT – DO NOT DETACH



BOOK/PAGE: 2500 / 139
INSTRUMENT #: 2013-411631
Receipt#: 2013369014
Clerk: CC
Rec Date: 07/22/2013 12:07:15 PM
Doc Grp: D
Descrip: DEED
Num Pgs: 8
Party1: UNITED STATES OF AMERICA
Party2: WESTGATE APARTMENTS LLC
Town: WASHINGTON BORO
Consideration: 2005000.00

Recording:	
Recording Fee	37.00
Recording Fee Differ	23.00
Preservation Fee	40.00
Sub Total:	100.00
Transfer Tax	
County Treasurer Exempt	0.00
State Treasurer Exempt	0.00
N.J.A.H.T.F. Exempt	0.00
P.H.P.F Exempt	0.00
E.A.A. Exempt	0.00
General Fund Exempt	0.00
Sub Total:	0.00
Total:	100.00
**** NOTICE: THIS IS NOT A BILL ****	

Record and Return To:

WEST JERSEY TITLE AGENCY
15 SOUTH MAIN STREET
WOODSTOWN NEW JERSEY 08098

PREPARED BY:

Howard Henderson
HOWARD HENDERSON.
State Director, USDA
Rural Development under the
Direction of Julie E. Quirk,
Esq., Office of the General
Counsel, USDA

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
QUITCLAIM DEED

19424
RECORD AND RETURN TO
WEST JERSEY TITLE AGENCY
15 South Main Street
Woodstown, New Jersey 08098
100

June 18, 2013

GRANTOR: The UNITED STATES OF AMERICA, acting through the United States Department of Agriculture, Washington D.C., conveys and quitclaims to

Westgate Apartments, LLC - 407 Pennington-Titusville Road, Titusville, NJ 08560

Referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

1. **Transfer of ownership.** The Grantor grants and conveys (transfers ownership of) the property (called the "Property") described below to the Grantee. This transfer is made for the sum of Two million five thousand dollars (\$2,005,000.00).

The grantor acknowledges receipt of this money.

2. **Tax Map Reference.** (N.J.S.A. 46:15-1.1) Municipality of Borough of Washington. Block No. 6, Lot No.11.01 & 11.02
3. **Property.** The Property consists of the land all the building and structures of the land in the Borough of Washington, County of Warren and State of New Jersey. The legal description is:

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situated, lying and being in the Borough of Washington, County of Warren, State of New Jersey:

TRACT 1:

BEGINNING at an iron pipe which marks the Southeasterly corner of lot now or formerly belonging to Katherine Fryer said iron pipe also being South 23 degrees 58 minutes East 458.80 feet from a railroad spike located in the public roadway known as Kinnaman Avenue, which railroad spikes marks the beginning point mentioned in a deed description of a 17.75 acre tract of land conveyed to Helen Tiger Grieshaber by deed which is recorded at the Warren County Clerk's Office in Book 280 of Deeds on Page 405 etc. and running; thence

- (1) By a new line and by lands, now or formerly belonging to Pinewall Investment Corp., South 75 degrees 46 minutes East, 236.88 feet to a point; thence
- (2) By another new line and along other lands, now or formerly belonging to Pinewall Investment Corp., South 25 degrees 02 minutes East, 184.00 feet to an iron pipe being in the Southerly right of the way line of the New Jersey power and Light Company easement and also marking a corner of lands to belonging to the Washington Borough Board of education; thence
- (3) Still along land belonging to the Washington Borough Board of Education North 60 degrees 51 minutes East, 630.59 feet to an iron pipe; thence
- (4) North 54 degrees 50 minutes West 307.64 feet to an iron pipe; thence
- (5) North 45 degrees 58 minutes West 208.56 feet to an iron pipe to lands now or formerly of Helen Tiger; thence

Consideration \$2005000.00	Exempt Code:
County \$0.00	General \$0.00
Public \$0.00	N.J.A.H.T.F. \$0.00
State \$0.00	Total \$0.00
Extra \$0.00	

- (6) South 58 degrees 35 minutes West, 192.36 feet along lands now or formerly of Helen Tiger to an iron pipe; thence
- (7) North 40 degrees 15 minutes West 145.86 feet along lands now or formerly of Helen Tiger to an iron pipe; thence
- (8) South 67 degrees 34 minutes West, 80.46 feet along lands now or formerly under contract to Walter Schaarschmidt, Jr. To an iron pipe; thence
- (9) North 21 degrees 47 minutes West, 136.85 feet along lands now or formerly under contract to Walter D. Schaarschmidt, Jr. To an iron pipe; thence
- (10) North 13 degrees 11 minutes West 60 feet along lands now or formerly of Helen Tiger to an iron pipe; thence
- (11) North 39 degrees 56 minutes West 80 feet along lands now or formerly of Helen Tiger through an iron pipe set on this line to a railroad spike located in the public roadway known as Kinnaman Avenue; thence
- (12) South 42 degrees 30 minutes West 288 feet in said Kinnaman Avenue To a railroad spike; thence
- (13) South 23 degrees 58 minutes East 458.80 feet to the point and place of BEGINNING.

Together with a storm drain easement described as follow:

BEGINNING at a point in the easterly sideline of N. Prospect Street (A 35 foot wide right of way), said point being in the southerly line of lands now or formerly of Covert Vander Voort and from thence runs

- (1) Along the southerly line of lands now or formerly of Covert Vander Voort, North 64 degrees 23 minutes East, 179.68 feet to a point; thence
- (2) Partially along the westerly line of the whole tract, North 29 degrees 39 minutes 40 seconds West, 179.34 feet to a point; thence
- (3) By a line through the entire tract North 16 degrees 04 minutes 30 seconds East, 441.39 feet to a point in the most northerly line of the whole tract, said point being distant on a course of South 75 degrees 46 minutes 30 seconds East, 134.73 feet from the northeasterly corner of lands now or formerly of Charles H. Kittaker; thence
- (4) Along the northerly line of the whole tract, South 75 degrees 46 minutes 30 seconds East, 20.01 feet to a point; thence
- (5) The next three courses paralleling the first three courses hereinabove described and distant 20 feet measured at right angles thereto, South 16 degrees, 04 minutes 30 seconds West, 433.60 feet to a point; thence
- (6) South 20 degrees 39 minutes 40 seconds East, 192.36 feet to a point; thence
- (7) South 64 degrees 23 minutes West, 199.81 feet to a point in the easterly sideline of North Prospect Street; thence
- (8) Along the easterly sideline of North Prospect Street, North 29 degrees 26 minutes West, 20.04 feet to the point and place of beginning.

BEING Lot 11.01, Block 6 on the Borough of Washington Tax Map;

TRACT 2:

BEGINNING at a point on the Southeasterly line of lands now or formerly of Walter and Gladys Schaarschmidt, said point being distant by the following four courses from the Southeasterly sideline of Kinnaman Avenue and from said sideline running; thence

- (A) Along lands now or formerly of Delmont P. and Betty C. Cole, South 39 degrees 56 minutes East 54.78 feet to a point; thence
- (B) The next three courses along lands now or formerly of Walter and Gladys Schaarschmidt, South 13 degrees, 11 minutes East 60.00 feet to a point; thence

- (C) South 21 degrees 47 minutes East 136.85 feet to a point; thence
- (D) North 67 degrees 34 minutes East 20.00 feet to the point and place of BEGINNING; thence
- (1) Along lands of Walter and Gladys Schaarschmidt, North 67 degrees 34 minutes East 60.46 feet to a point; thence
- (2) The next two courses along lands now or formerly of Delmont P. And Betty Cole, South 40 Degrees 15 minutes 00 seconds East 145.86 feet to a point; and thence
- (3) North 58 degrees 35 minutes 00 seconds East 192.36 feet to a point; thence
- (4) The next two courses along lands now or formerly of New Jersey Power and Light Co., South 45 degrees 58 minutes 00 seconds East, 208.56 feet to a point; thence
- (5) South 54 degrees 50 minutes 00 seconds East, 307.64 feet to a point; thence
- (6) Along lands now or formerly of Warren Hills Regional School District, South 60 degrees 51 minutes 00 seconds West 630.59 feet to a point; thence
- (7) Along lands now or formerly of Dr. Adbullah S. Evke, North 25 degrees 02 minutes 00 seconds West 73.00 feet to a point; thence
- (8) The next six courses by a new line through Lot 11A, Block 6, North 60 degrees 51 minutes East 163.84 feet to a point; thence
- (9) North 31 degrees 25 minutes west 250.16 feet to a point; thence
- (10) South 58 degrees 35 minutes West 75.00 feet to a point; thence
- (11) North 31 degrees 25 minutes West 114.04 feet to a point; thence
- (12) North 23 degrees 58 minutes West 68.75 feet to a point; thence
- (13) North 1 degree 55 minutes 25 seconds East 136.88 feet to the point and place of beginning.

BEING, Lot 11.02, Block 6 on the Borough of Washington Tax Map.

This deed is executed and delivered pursuant to the provision of Form 1955-46, "Invitation Bid and Acceptance, Sale of Real Property by the United States" dated August 12, 2012 accepted on January 9, 2013.

Authority set forth in 7 C.F.R., part 1900, subpart A.

No member of Congress shall be admitted to any share or part of this deed or to any benefit that may arise therefrom. June 18 , in the year 2013.

UNITED STATES OF AMERICA (Grantor)

BY: Howard Henderson
HOWARD HENDERSON, STATE DIRECTOR
Rural Development, formerly known as Farmers Home
Administration, State of New Jersey, United States
Department of Agriculture

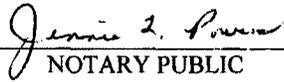
In the presence of:

Jennie L. Powers

ACKNOWLEDGEMENT

STATE OF NEW JERSEY
COUNTY OF BURLINGTON

BE IT REMEMBERED THAT ON June 13, 2013, before me, the subscriber, a Notary Public in and for the State and County, personally appeared Howard Henderson, the State Director for Rural Development of the United States of America, Department of Agriculture, who I am satisfied is the person named in and who executed the within instrument, and there upon have acknowledge that he signed, sealed, and delivered the same as his act and deed for the uses and purposes therein.



NOTARY PUBLIC

JENNIE L. POWERS
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JULY 28, 2017
58764

RECORDED
Patricia J Kolb Warren Co Clerk
BELVIDERE, NJ

Bk: 2500 Pg: 139
07/22/2013 12:07:15 PM
Pages 8

DEED

STATE OF NEW JERSEY
AFFIDAVIT OF CONSIDERATION FOR USE BY SELLER
(Chapter 49, P.L.1968, as amended through Chapter 33, P.L. 2006) (N.J.S.A. 46:15-5 et seq.)
BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY

COUNTY WARREN
MUNICIPALITY OF PROPERTY LOCATION Washington Borough

FOR RECORDER'S USE ONLY
Consideration \$ 2,005,000
RTF paid by seller \$ 0
Date 7/22/13 By [Signature]

*Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE (See Instructions #3 and #4 on reverse side)

Deponent, Howard Henderson, being duly sworn according to law upon his/her oath,
deposes and says that he/she is the State Director in a deed dated June 18, 2013 transferring
real property identified as Block number 6 Lot number 11.01 & 11.02 located at
Kinnaman Avenue, Washington, NJ 07882

(2) CONSIDERATION \$ 2,005,000.00 (Instructions #1 and #5 on reverse side) [X] no prior mortgage to which property is subject.

(3) Property transferred is Class 4A 4B 4C (circle one). If property transferred is Class 4A, calculation in Section 3A below is required.

(3A) REQUIRED CALCULATION OF EQUALIZED VALUATION FOR ALL CLASS 4A (COMMERCIAL) PROPERTY TRANSACTIONS:
(See Instructions #5A and #7 on reverse side)

Total Assessed Valuation + Director's Ratio = Equalized Assessed Valuation

\$ + % = \$

If Director's Ratio is less than 100%, the equalized valuation will be an amount greater than the assessed value. If Director's Ratio is equal to or in excess of 100%, the assessed value will be equal to the equalized valuation.

(4) FULL EXEMPTION FROM FEE (See Instruction #8 on reverse side)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1968, as amended through C. 66, P.L. 2004, for the following reason(s). Mere reference to exemption symbol is insufficient. Explain in detail.
Seller is the United States of America, this State, or any instrumentally, agency or subdivision

(5) PARTIAL EXEMPTION FROM FEE (Instruction #9 on reverse side)

NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption. Deponent claims that this deed transaction is exempt from State portions of the Basic, Supplemental, and General Purpose Fees, as applicable, imposed by C. 176, P.L. 1975, C. 113, P.L. 2004, and C. 66, P.L. 2004 for the following reason(s):

- A. SENIOR CITIZEN Grantor(s) [] 62 years of age or over. * (Instruction #9 on reverse side for A or B)
B. BLIND PERSON Grantor(s) [] legally blind or;
DISABLED PERSON Grantor(s) [] permanently and totally disabled [] receiving disability payments [] not gainfully employed*

Senior citizens, blind persons, or disabled persons must also meet all of the following criteria:
[] Owned and occupied by grantor(s) at time of sale. [] Resident of State of New Jersey.
[] One or two-family residential premises. [] Owners as joint tenants must all qualify.

*IN CASE OF HUSBAND AND WIFE, PARTNERS IN A CIVIL UNION COUPLE, ONLY ONE GRANTOR NEED QUALIFY IF TENANTS BY THE ENTIRETY.

- C. LOW AND MODERATE INCOME HOUSING (Instruction #9 on reverse side)
[] Affordable according to H.U.D. standards. [] Reserved for occupancy.
[] Meets income requirements of region. [] Subject to resale controls.

- (B) NEW CONSTRUCTION (Instructions #2, #10 and #12 on reverse side)
[] Entirely new improvement. [] Not previously occupied.
[] Not previously used for any purpose. [] "NEW CONSTRUCTION" printed clearly at top of first page of the deed.

(7) RELATED LEGAL ENTITIES TO LEGAL ENTITIES (Instructions #5, #12, #14 on reverse side)

- [X] No prior mortgage assumed or to which property is subject at time of sale.
[X] No contributions to capital by either grantor or grantee legal entity.
[X] No stock or money exchanged by or between grantor or grantee legal entities.

(8) Deponent makes this Affidavit to induce county clerk or register of deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006.

Subscribed and sworn to before me this 13th day of June, 2013

JENNIE L. POWERS
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JULY 26, 2017
58784

Howard Henderson
Signature of Deponent
Grantor Name
8000 Midatlantic Drive, Suite 500
Mt. Laurel, NJ 08054
Grantor Address at Time of Sale

XXX-XXX-698
Last three digits in Grantor's Social Security Number Name/Company of Settlement Officer

2013 - FOR OFFICIAL USE ONLY
Instrument Number 411631 County WARREN
Deed Number Book 2520 Page 139
Deed Dated 6/18/13 Date Recorded 7/22/13

County recording officers shall forward one copy of each RTF-1 form when Section 3A is completed to: STATE OF NEW JERSEY
PO BOX 251
TRENTON, NJ 08695-0251
ATTENTION: REALTY TRANSFER FEE UNIT

The Director of the Division of Taxation in the Department of the Treasury has prescribed this form as required by law, and may not be altered or amended without prior approval of the Director. For information on the Realty Transfer Fee or to print a copy of this Affidavit, visit the Division of Taxation website at: www.state.nj.us/treasury/taxation/tp/locatix.htm

AFFIDAVIT OF CONSIDERATION FOR USE BY BUYER

(Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006) (N.J.S.A. 46:15-5 et seq.)

PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM BEFORE COMPLETING THIS AFFIDAVIT

STATE OF NEW JERSEY	} SS.	County Municipal Code	FOR RECORDER'S USE ONLY	
COUNTY WARREN		2121	Consideration \$ <u>2,005,000 -</u>	RTF paid by buyer \$ <u>0 -</u>
Municipality of Property Location: Washington Boro		Date <u>7/23/13</u>	By <u>oc</u>	

(1) **PARTY OR LEGAL REPRESENTATIVE** (See instructions 3 and 4 on the reverse side.) **XXX-XX-X 9 4 4**
 Deponent, **John D. Burke**, being duly sworn according to law upon his/her oath, deposes and says that he/she is the **Officer of Title Co.** in a deed dated **06/18/13** transferring real property identified as Block No. **6**, Lot No. **11.01 & 11.02** located at **Kinnaman Avenue Washington, NJ 07882** and annexed thereto.

(2) **CONSIDERATION \$ 2,005,000.00** (See instructions 1, 5 and 11 on the reverse side.)
 Entire consideration is in excess of \$1,000,000:
 PROPERTY CLASSIFICATION CHECKED OR CIRCLED BELOW IS TAKEN FROM OFFICIAL ASSESSMENT LIST (A PUBLIC RECORD) OF MUNICIPALITY WHERE THE REAL PROPERTY IS LOCATED IN THE YEAR OF TRANSFER. Refer To N.J.A.C. 18:12-2.2 et seq.
 (A) Grantee required to remit the 1% fee, complete (A) by checking off appropriate box or boxes below.

- Class 2 - Residential
 - Class 3A - Farm property (Regular) and any other real property transferred to same grantee in conjunction with transfer of Class 3A property
 - Class 4A - Commercial Properties (if checked, calculation on (E) required below)
 - Cooperative Unit (four families or less) (See C. 46:8D-3.) Cooperative Units are Class 4C.
- (B) Grantee is not required to remit the 1% fee (one or more of following classes being conveyed), complete (B) by checking off appropriate box or boxes below:

- Property class. Circle applicable class or classes: **1** **3B** **4B** **4C** **15**
- Property classes: 1 - Vacant Land; 3B - Farm Property (Qualified); 4B - Industrial Properties; 4C - Apartments; 15 - Public Property, etc. (N.J.A.C. 18:12-2.2 et seq.)
- Exempt organization determined by federal Internal Revenue Service/Internal Revenue Code of 1986, 26 U.S.C. s. 501.
- Incidental to corporate merger or acquisition; equalized assessed valuation less than 20% of total value of all assets exchanged in merger or acquisition. If checked, calculation in (E) required and **MUST ATTACH COMPLETED RTF-4**

(C) When Grantee transfers properties involving block(s) and lot(s) of two or more classes in one deed, one or more subject to the 1% fee (A), with one or more than one not subject to the 1% fee (B), pursuant to N.J.S.A. 46:15-7.2, complete (C) by checking off appropriate box or boxes and (D).

(D) **EQUALIZED VALUE CALCULATION** for all properties conveyed, whether the 1% fee applies or does not apply

Property Class	Total Assessed Valuation	+	Director's Ratio	=	Equalized Valuation
Property Class	\$	+	%	=	\$
Property Class	\$	+	%	=	\$
Property Class	\$	+	%	=	\$
Property Class	\$	+	%	=	\$

(E) **REQUIRED EQUALIZED VALUE CALCULATION** for all Class 4A (commercial) property transactions:
 (See instructions 6 and 7 on the reverse side.)

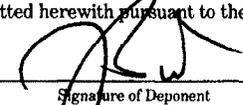
Total Assessed Valuation	÷	Director's Ratio	=	Equalized Value
\$	÷	%	=	\$

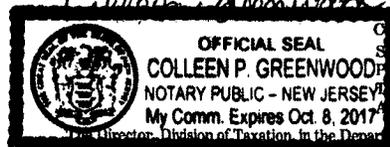
If Director's Ratio is less than 100%, the equalized valuation will be an amount greater than the assessed valuation. If Director's Ratio is equal to or exceeds 100%, the assessed valuation will be equal to the equalized value.

(3) **TOTAL EXEMPTION FROM FEE** (See instruction 8 on the reverse side.)
 Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1968, as amended through Chapter 33, P.L. 2006, for the following reason(s). Mere reference to the exemption symbol is insufficient. Explain in detail. **8 (b) Seller is The United States of America**

(4) Deponent makes this Affidavit of Consideration for Use by Buyer to induce the county clerk or register of deeds to record the deed and accept the fee submitted herewith pursuant to the provisions of Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006.

Subscribed and sworn to before me this **Twenty-Fifth** day of **June, 2013**

 Signature of Deponent John D. Burke 15 S Main St Woodstown, NJ 08098 Deponent Address	Westgate Apartments, LLC Grantee Name 407 Pennington-Titusville Rd Titusville, NJ 08560 Grantee Address at Time of Sale West Jersey Title Agency Name/Company of Settlement Officer
--	---



County Recording Officers: forward one copy of each Affidavit of Consideration for Use by Buyer to:
 State of NJ - Division of Taxation
 P.O. Box 251
 Trenton, NJ 08646-0251
 Attention: Realty Transfer Fee Unit

FOR OFFICIAL USE ONLY			
Instrument Number	<u>411631</u>	County	<u>WARREN</u>
Deed Number		Book	<u>2520</u> Page <u>139</u>
Deed Dated	<u>6/18/13</u>	Date Recorded	<u>7/23/13</u>

Department of the Treasury has prescribed this form, as required by law. It may not be altered or amended without prior approval of the Director. For further information on the Realty Transfer Fee or to print a copy of this Affidavit or any other relevant forms, visit: www.state.nj.us/treasury/taxation/lpt/localtax.shtml.



State of New Jersey

Seller's Residency Certification/Exemption

(C.55, P.L. 2004)

(Please Print or Type)

SELLER(S) INFORMATION (see Instructions, page 2):

Name(s) **United States Department of Agriculture Rural Development**

Current Resident Address **800 Midlantic Dr Ste 500**

City, Town, Post Office **Marlton** State **NJ** Zip Code **08054**

PROPERTY INFORMATION (Brief Property Description):

Block(s) **6** Lot(s) **11.01 & 11.02** Qualifier _____

Street Address **Kinnaman Ave**

City, Town, Post Office **Washington** State **NJ** Zip Code **07882**

Seller's Percentage of Ownership **100%** Consideration **\$2,005,000.00** Closing Date **6/18/2013**

SELLER'S ASSURANCES (Check the Appropriate Box) (Boxes 2 through 10 apply to Residents and NON-residents):

1. I am a resident taxpayer (individual, estate or trust) of the State of New Jersey pursuant to N.J.S.A. 54A:1-1 et seq. and will file a resident gross income tax return and pay any applicable taxes on any gain or income from the disposition of this property.
2. The real property being sold or transferred is used exclusively as my principal residence within the meaning of section 121 of the federal Internal Revenue Code of 1986, 26 U.S.C. s. 121.
3. I am a mortgagor conveying the mortgaged property to a mortgagee in foreclosure or in a transfer in lieu of foreclosure with no additional consideration.
4. Seller, transferor or transferee is an agency or authority of the United States of America, an agency or authority of the State of New Jersey, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.
5. Seller is not an individual, estate or trust and as such not required to make an estimated payment pursuant to N.J.S.A. 54A:1-1 et seq.
6. The total consideration for the property is \$1,000 or less and as such, the seller is not required to make an estimated payment pursuant to N.J.S.A. 54A:5-1-1 et seq.
7. The gain from the sale will not be recognized for Federal income tax purposes under I.R.C. Section 721, 1031, 1033 or is a cemetery plot. (CIRCLE THE APPLICABLE SECTION.) If such section does not ultimately apply to this transaction, the seller acknowledges the obligation to file a New Jersey income tax return for the year of the sale (see instructions).
 No non-like kind property received.
8. Transfer by an executor or administrator of a decedent to a devisee or heir to effect distribution of the decedent's estate in accordance with the provisions of the decedent's will or the intestate laws of this state.
9. The property being sold is subject to a short sale instituted by the mortgagee, whereby the seller has agreed not to receive any proceeds from the sale and the mortgagee will receive all proceeds paying off an agreed amount of the mortgage.
10. The deed being recorded is a deed dated prior to the effective date of P.L. 2004, c. 55 (August 1, 2004), and was previously unrecorded.

SELLER(S) DECLARATION:

The undersigned understands that this declaration and its contents may be disclosed or provided to the New Jersey Division of Taxation and that any false statement contained herein could be punished by fine, imprisonment, or both. I furthermore declare that I have examined this declaration and, to the best of my knowledge and belief, it is true, correct and complete. By checking this box , I certify that the Power of Attorney to represent the seller(s) has been previously recorded or is being recorded simultaneously with the deed to which this form is attached.

7/17/2013

Date

Howard Henderson

Signature (Seller) Please indicate if Power of Attorney or Attorney in Fact
Howard Henderson, State Director

Date

Signature (Seller) Please indicate if Power of Attorney or Attorney in Fact



WARREN COUNTY – STATE OF NEW JERSEY
PATRICIA J. KOLB – WARREN COUNTY CLERK
413 SECOND STREET, BELVIDERE, NJ 07823

COUNTY CLERK'S RECORDING PAGE
THIS PAGE IS PART OF THE DOCUMENT – DO NOT DETACH



Recording:

Recording Fee	40.00
Recording Fee Differ	30.00
Preservation Fee	50.00

Total: 120.00

**** NOTICE: THIS IS NOT A BILL ****

BOOK/PAGE: 5907 / 283
INSTRUMENT #: 2013-411632

Receipt#: 2013369014
Clerk: CC
Rec Date: 07/22/2013 12:07:15 PM
Doc Grp: M
Descrip: MORTGAGE
Num Pgs: 11

Party1: WESTGATE APARTMENTS LLC
Party2: UNITED STATES OF AMERICA
Town: WASHINGTON BORO

Record and Return To:

WEST JERSEY TITLE AGENCY
15 SOUTH MAIN STREET
WOODSTOWN NEW JERSEY 08098

10424
RECORD AND RETURN TO
WEST JERSEY TITLE AGENCY
15 South Main Street
Woodstown, New Jersey 08098

RECORDED
Patricia J Kolb Warren Co Clerk
BELVIDERE, NJ

Bk: 5907 Pg: 283
07/22/2013 12:07:15 PM
Pages 11

MORTGAGE

REAL ESTATE MORTGAGE FOR NEW JERSEY

THIS MORTGAGE is made this day, June 18, 2013, by Westgate Apartments, LLC, a New Jersey Limited Liability Company, organized and existing under the laws of the State of New Jersey, whose mailing address is (the Borrower) 407 Pennington-Titusville Road, Titusville, NJ 08560.

The United States of America (the Government), acting through the Rural Housing Service (RHS), successor in interest to the Farmers Home Administration, United States Department of Agriculture, having an office or place of business at 5th Floor, Suite 500, 8000 Midlantic Drive, Mount Laurel, NJ 08054, has loaned the Borrower money as evidenced by Promissory Notes. The Promissory Notes have been executed by the Borrower, is payable to the order of the Government in installments as specified therein, may provide for the deferral and capitalization of interest plus principal (described below as "Maximum Amount Financed"), authorizes acceleration of the entire indebtedness at the option of the Government upon any default by the Borrower, and is further described as follows:

Date of Instrument	Principal Amount	Annual Rate Of Interest	Maximum Amt. Financed	Due Date of Final Installment
June 18, 2013	\$2,000,000 \$1,472,635	3.125% 3.125%	\$2,002,083.22 \$1,472,635.00	June 18, 2043

The Government may assign the Promissory Notes at any time. The Government may also insure the payment of the Promissory Notes pursuant to the Consolidated Farm and Rural Development Act, or Title V of the Housing Act of 1949 or any other statute administered by the Rural Housing Service (RHS), successor in interest to the Farmers Home Administration.

This instrument shall secure payment of the Promissory Notes whenever the Promissory Notes are held either by the Government or by an uninsured holder. Whenever the Promissory Notes are held by an insured holder, however, this instrument shall not secure payment of the Promissory Notes or attach to the underlying debt. In that event, this instrument shall constitute an indemnity mortgage to secure any payments to an insured holder of the Promissory Notes or other advances which the Government may be required to make upon default by the Borrower. The insured holder shall have no right, title or interest in or to the lien of this instrument or its benefits. This instrument also secures the Borrower's obligations and covenants under other instruments delivered in connection with the loan evidenced by the Promissory Note, including the Borrower's Loan Agreement hereby incorporated by reference. The Promissory

Notes, Loan Agreement, Security Agreement, and this instrument together with any supplements, attachments, modifications and additions are collectively referred to as the "Loan Instruments".

NOW THEREFORE, in consideration of the loan(s) the Borrower hereby mortgages, (as construed in 46: 9-1, N.J.S.A.), assigns, grants and conveys to the Government, the following property in Warren County, Kinnaman Avenue , Washington, New Jersey:

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situated, lying and being in the Borough of Washington, County of Warren, State of New Jersey:

Track 1:

BEGINNING at an iron pipe which marks the Southeasterly corner of lot now or formerly belonging to Katherine Fryer said iron pipe also being South 23 degrees 58 minutes East 458.80 feet from a railroad spike located in the public roadway known as Kinnaman Avenue, which railroad spikes marks the beginning point mentioned in a deed description of a 17.75 acre tract of land conveyed to Helen Tiger Grieshaver by deed which is recorded at the Warren County Clerk's Office in Book 280 of Deeds on Page 405 etc. and running; thence

(1) By a new line and by lands, now or formerly belonging to Pinewall Investment Corp., South 75 degrees 46 minutes East, 236.88 feet to a point; thence

(2) By another new line and along other lands, now or formerly belonging to Pinewall Investment Corp., South 25 degrees 02 minutes East, 184.00 feet to an iron pipe being in the Southerly right of the way line of the New Jersey power and Light Company easement and also marking a corner of lands to belonging to the Washington Borough Board of education; thence

(3) Still along land belonging to the Washington Borough Board of Education North 60 degrees 51 minutes East, 630.59 feet to an iron pipe; thence

(4) North 54 degrees 50 minutes West 307.64 feet to an iron pipe; thence

(5) North 45 degrees 58 minutes West 208.56 feet to an iron pipe to lands now or formerly of Helen Tiger; thence

(6) South 58 degrees 35 minutes West, 192.36 feet along lands now or formerly of Helen Tiger to an iron pipe; thence

(7) North 40 degrees 15 minutes West 145.86 feet along lands now or formerly of Helen Tiger to an iron pipe; thence

- (8) South 67 degrees 34 minutes West, 80.46 feet along lands now or formerly under contract to Walter Schaarschmidt, Jr. To an iron pipe; thence
- (9) North 21 degrees 47 minutes West, 136.85 feet along lands now or formerly under contract to Walter D. Schaarschmidt, Jr. To an iron pipe; thence
- (10) North 13 degrees 11 minutes West 60 feet along lands now or formerly of Helen Tiger to an iron pipe; thence
- (11) North 39 degrees 56 minutes West 80 feet along lands now or formerly of Helen Tiger through an iron pipe set on this line to a railroad spike located in the public roadway known as Kinnaman Avenue; thence
- (12) South 42 degrees 30 minutes West 288 feet in said Kinnaman Avenue To a railroad spike; thence
- (13) South 23 degrees 58 minutes East 458.80 feet to the point and place of BEGINNING.

Together with a storm drain easement described as follow:

BEGINNING at a point in the easterly sideline of N. Prospect Street (A 35 foot wide right of way), said point being in the southerly line of lands now or formerly of Covert Vander Voort and from thence runs

- (1) Along the southerly line of lands now or formerly of Covert Vander Voort, North 64 degrees 23 minutes East, 179.68 feet to a point; thence
- (2) Partially along the westerly line of the whole tract, North 29 degrees 39 minutes 40 seconds West, 179.34 feet to a point; thence
- (3) By a line through the entire tract North 16 degrees 04 minutes 30 seconds East, 441.39 feet to a point in the most northerly line of the whole tract, said point being distant on a course of South 75 degrees 46 minutes 30 seconds East, 134.73 feet from the northeasterly corner of lands now or formerly of Charles H. Kittaker; thence
- (4) Along the northerly line of the whole tract, South 75 degrees 46 minutes 30 seconds East, 20.01 feet to a point; thence
- (5) The next three courses paralleling the first three courses hereinabove described and distant 20 feet measured at right angles thereto, South 16 degrees, 04 minutes 30 seconds West, 433.60 feet to a point; thence
- (6) South 20 degrees 39 minutes 40 seconds East, 192.36 feet to a point; thence
- (7) South 64 degrees 23 minutes West, 199.81 feet to a point in the easterly sideline of North Prospect Street; thence
- (8) Along the easterly sideline of North Prospect Street, North 29 degrees 26 minutes West, 20.04 feet to the point and place of beginning.

BEING Lot 11.01, Block 6 on the Borough of Washington Tax Map;

Track 2:

BEGINNING at a point on the Southeasterly line of lands now or formerly of Walter and Gladys Schaarschmidt, said point being distant by the following four courses from the Southeasterly sideline of Kinnaman Avenue and from said sideline running; thence

(A) Along lands now or formerly of Delmont P. and Betty C. Cole, South 39 degrees 56 minutes East 54.78 feet to a point; thence

(B) The next three courses along lands now or formerly of Walter and Gladys Schaarschmidt, South 13 degrees, 11 minutes East 60.00 feet to a point; thence

(C) South 21 degrees 47 minutes East 136.85 feet to a point; thence

(D) North 67 degrees 34 minutes East 20.00 feet to the point and place of BEGINNING; thence

(1) Along lands of Walter and Gladys Schaarschmidt, North 67 degrees 34 minutes East 60.46 feet to a point; thence

(2) The next two courses along lands now or formerly of Delmont P. And Betty Cole, South 40 Degrees 15 minutes 00 seconds East 145.86 feet to a point; and thence

(3) North 58 degrees 35 minutes 00 seconds East 192.36 feet to a point; thence

(4) The next two courses along lands now or formerly of New Jersey Power and Light Co., South 45 degrees 58 minutes 00 seconds East, 208.56 feet to a point; thence

(5) South 54 degrees 50 minutes 00 seconds East, 307.64 feet to a point; thence

(6) Along lands now or formerly of Warren Hills Regional School District, South 60 degrees 51 minutes 00 seconds West 630.59 feet to a point; thence

(7) Along lands now or formerly of Dr. Adbullah S. Evke, North 25 degrees 02 minutes 00 seconds West 73.00 feet to a point; thence

(8) The next six courses by a new line through Lot 11A, Block 6, North 60 degrees 51 minutes East 163.84 feet to a point; thence

(9) North 31 degrees 25 minutes west 250.16 feet to a point; thence

(10) South 58 degrees 35 minutes West 75.00 feet to a point; thence

(11) North 31 degrees 25 minutes West 114.04 feet to a point; thence

(12) North 23 degrees 58 minutes West 68.75 feet to a point; thence

(13) North 1 degree 55 minutes 25 seconds East 136.88 feet to the point and place of beginning.

BEING, Lot 11.02, Block 6 on the Borough of Washington Tax Map.

The borrower and any successors in interest agree to use the housing for the purpose of housing people eligible for occupancy as provided in Section 515 of Title V of the Housing Act of 1949, as amended, and FmHA/Rural Development regulations then extant during this 30 year period beginning (the date of the last loan on the project is obligated, or date the project was last made subject to the prepayment restrictive-use provisions as a result of servicing actions or incentive to no prepay the loan, authorized under this subpart or other subparts). Until June 18, 2043, no eligible person occupying the housing shall be required to vacate, or any eligible person wishing to occupy shall be denied occupancy without cause. The borrower will be released from these obligations before that date only when the Government determines that there is no longer a need for such housing, or that such other financial assistance provided the residents of such housing will no longer be provided due to no fault action or lack of action on the part of the borrower. A tenant or individual wishing to occupy the housing may seek enforcement of this provision as well as the Government.

TOGETHER with all the improvements, tenements and appurtenances now or hereafter erected on the property, and all easements, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, all leasehold rights of any kind, and all fixtures now or hereafter attached to or used in connection with the property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, natural gas, water, air and light; and including, but not limited to, all plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, washers, dryers, awnings, screens, blinds, shades, storm windows, storm doors, antennas, attached floor covering, trees and plants; all of which including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this instrument; and all payments at any time owing to the Borrower by virtue of any sale, lease, transfer, conveyance or condemnation of any part thereof or interest therein--all of which are herein collectively referred to as the "Property".

THIS MORTGAGE is also intended as a Financing Statement covering fixtures which are affixed or which may become affixed to the above-described property. The types of collateral covered hereby are described in the preceding paragraph.

TO HAVE AND TO HOLD the property unto the Government and its assigns forever in fee simple.

The Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, and convey the Property, and that the Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to easements and restrictions of record.

THIS MORTGAGE SHALL SECURE (a) payment of the Promissory Notes in accordance with its terms, including any extensions, reschedulings, reamortizations or renewals thereof, whenever the note is held by either the Government or by an uninsured holder; (b) repayment, with interest, of any payments, advances and expenditures made by the Government pursuant to the terms of this or any other Loan Instrument; and (c) performance of every covenant and agreement of the Borrowers contained in this or any other Loan Instrument.

The Borrower, for itself, its successors and assigns, WARRANTS the title to Property (as construed in 46:9-2, N.J.S.A.) to the Government against the lawful claims of all persons

whose claims are not based upon liens, encumbrances, easements or reservation specified above.

The Borrower, for itself, its successors and assigns, COVENANTS AND AGREES as follows:

1. Borrower will promptly pay any indebtedness secured by this instrument when due.
2. Borrower will indemnify the Government against any loss which the Government may incur as a result of making payments to an insured holder of the Promissory Note after the Borrower's default.
3. Borrower will pay the Government any fees or other charges required under regulations of the Rural Housing Service (RHS), successor in interest to the Farmers Home Administration.
4. Borrower will pay when due all taxes, liens, judgments, encumbrances and assessments lawfully attaching to or assessed against the property, and, without demand, will also provide the Government with proof of those payments.
5. Borrower will pay the Government for any expenses necessary or incidental to (a) the protection of the lien or priority of any Loan Instrument and to (b) the enforcement of or compliance with the provisions of any Loan Instrument. "Expenses" includes (without limitation) costs of evidence of title, surveys, recording fees, attorneys' fees and trustees' fees, as well as court costs and expenses of advertising, selling and conveying the Property or any portion of it.
6. Borrower will use the loan evidenced by the Promissory Notes solely for the purposes authorized by the Government.
7. Borrower will keep the Property insured as required by the Government and will deliver the originals of all insurance policies to the Government for safekeeping.
8. Borrower will comply with all laws, ordinances and regulations affecting the Property and the conduct of Borrower's business operations.
9. Borrower will maintain the property in good repair and make any repairs the Government may require.
10. Borrower will operate the Property in a good and efficient manner and will comply with Management Plans and practices which the Government may prescribe from time to time.
11. Borrower will not abandon the Property; effect waste, leasing or impairment of the Property; or cut, remove or lease any timber, gravel, oil, gas, coal or other minerals.
12. Borrower will not (except in the ordinary course of business) lease, assign, sell, transfer or encumber the Property or any nonexpendable part thereof, voluntarily or otherwise, either in whole or in part, without the prior written consent of the Government.
13. The property described herein was obtained or improved through Federal financial assistance. This property is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the Rehabilitation Act of 1973 and the regulations issued pursuant thereto for so long as

the property continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the purchaser owns it, whichever is longer.

14. If at any time it shall appear to the Government that the Borrower may be able to obtain a loan from a production credit association, a federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, the Borrower will, upon the Government's request, apply for and accept a loan in sufficient amount to pay the Promissory Notes and any other indebtedness secured by this instrument and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such a loan.

15. The Government may require the Borrower to make additional monthly payments equal to one-twelfth of the estimated taxes, assessments, insurance premiums and other charges upon the Property.

16. The Government and its agents may inspect the Property at reasonable times to ascertain whether the Borrower is fulfilling its obligations under this or any other Loan Instrument.

17. The Government may at any time pay as advances for the Borrower's account any amounts which the Borrower is obligated to pay under any Loan Instrument. The Government may exercise this right regardless of whether the Note is insured and regardless of whether advances exceed the face amount of the Note.

18. All advances by the Government pursuant to the terms of this or any other Loan Instrument shall bear interest at the rate borne by the Promissory Notes which bears the highest interest rate. Advances, together with interest accruing on them, shall be immediately due and payable by the Borrower at the place designated in the latest Promissory Notes. Advances by the Government shall neither relieve the Borrower of its obligation to pay nor cure any default under any Loan Instrument.

19. Except to the extent specified by the Government in writing, the Government in its sole discretion may grant an extension of the time for payment or modification of amortization of the indebtedness secured by any Loan Instrument, release any party from liability to the Government, release portions of the Property from the lien of any Loan Instrument, and waive any other Government right under any Loan Instrument, or the liability of the Borrower or any other party for payment of the indebtedness secured by any Loan Instrument.

20. The Government will not be bound by any present or future state laws (a) providing for valuation, appraisal, homestead or exemption of the Property; (b) prohibiting or restricting an action for deficiency judgment or limiting the judgment amount which may be awarded; (c) prescribing any statute of limitations; (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions the Government may impose by regulation as a condition of approving a transfer of the Property to a new borrower. **THE BORROWER WAIVES THE BENEFIT OF ANY SUCH STATE LAWS.**

21. Should the Borrower **DEFAULT** on any of its obligations under any Loan Instrument, merge, dissolve, be declared bankrupt or insolvent, or make an assignment for the benefit of creditors, without Notice, the Government may (a) accelerate the entire indebtedness secured by this instrument by declaring it immediately due and payable; (b) charge the Borrower's account for any reasonable expenses which the Government may pay or incur to maintain and repair the Property; (c) process, operate and rent the Property; (d) have a receiver appointed

for the Property who may exercise the usual powers of receivers in similar cases; (e) foreclose this and any other Loan Instrument and sell the Property; (f) enforce any and all other rights and remedies provided in the Loan Instruments or by future or present laws.

22. Upon default by Borrower as aforesaid, the Government may foreclose this instrument as authorized or permitted by the laws then existing of the jurisdiction where the property is situated and of the United States of America, on terms and conditions satisfactory to the Government, including but not limited to foreclosure by (a) statutory power of sale, or (b) advertisement and sale of the property at public auction to the highest bidder in one or more parcels at the Government's option and at the time and place and in the manner and after such notice and on terms required by statute or determined by the Government if not contrary to statute, or (c) written agreement hereafter made between Borrower and the Government.

23. Proceeds of a foreclosure sale pursuant to any loan Instrument shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions of any Loan Instrument; (b) any prior liens required by law or a competent court to be paid; (c) all indebtedness to the Government secured by this instrument; (d) inferior liens of record required by law or a competent court to be paid; (e) at the Government's option, any other indebtedness of the Borrower owing to or insured by the Government, and (f) any balance to Borrower.

At foreclosure or other sale of all or any part of the Property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to or insured by the Government, in the order prescribed above.

24. If the Government is the successful bidder at a foreclosure sale under any Loan Instrument, any portion of the purchase price not owed to a third party may be paid by crediting that amount on any debts of the Borrower which are owed to or insured by the Government.

25. The rights and remedies provided in this instrument are cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity, by statute or by regulation.

26. A waiver, amendment, release or modification of this instrument may be affected only by a writing which has been duly executed by the Government and shall not be established by conduct, custom or course of dealing.

27. This instrument shall be governed by federal law, and shall be subject to the present regulations of the Rural Housing Service (RHS), successor in interest to the Farmers Home Administration, and to its future regulations not inconsistent with the express provisions of this instrument.

28. Default under this instrument shall constitute a default under any other security instruments of the Borrower held or insured by the Government and default under any other security instrument constitutes default under this instrument.

29. If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision of application, and to that end the provisions hereof are declared to be severable.

30. Notices to the Borrower shall be sent to its address as shown on the first page of this instrument. Notices to the Government shall be addressed to the Rural Housing Service (RHS) successor in interest to the Farmers Home Administration, United States Department of Agriculture, 5th Floor, Suite 500, 8000 Midlantic Drive, Mount Laurel, NJ 08054. Notices shall be sent by certified mail (postage prepaid) unless otherwise required by law. The Government and the Borrower may designate any further or different addresses to which subsequent notices shall be sent.

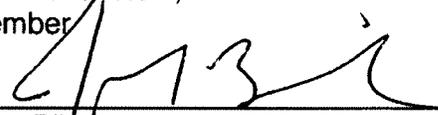
31. This instrument, together with the other loan instruments, mortgages and encumbers only the assets of the borrowing Partnership named herein and offers to the Government no recourse for repayment of the indebtedness from the personal assets of any present or future member of the Partnership, whether individual or corporate.

32. This instrument also secures the obligations and covenants of Borrower set forth in Borrower's Loan Agreement of May 31, 2013, which is hereby incorporated herein by reference.

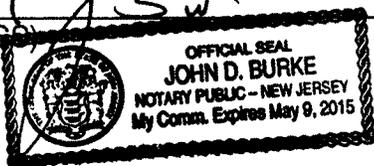
IN WITNESS WHEREOF, the Borrower has caused this Mortgage to be executed by its Partner(s) who hereunto set(s) his/their hand(s) and seal(s) as of the date first written above.

Westgate Apartments, LLC

BY: 
Ron Rukenstein,
Member

BY: 
John Bibeau,
Member

Signed, sealed and delivered
In the presence of:

(WITNESS) 


ACKNOWLEDGMENT

STATE OF NEW JERSEY, COUNTY OF WARREN

TOWN OF WASHINGTON BOROUGH

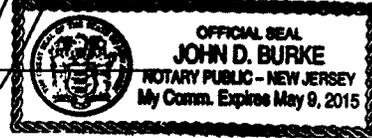
I CERTIFY that on June 18, 2013, Ron Rukenstein, Member of Westgate Apartments, LLC and John Bibeau, Member of Westgate Apartments, LLC, a New Jersey Limited Liability Company, personally came before me and stated to my satisfaction that they

- 1) Were the makers of the within instrument;
- 2) Were authorized to and did execute this instrument as Members of Westgate Apartments LLC, the entity named in this instrument ; and
- 3) Executed this instrument as the act of the entity named in this instrument.

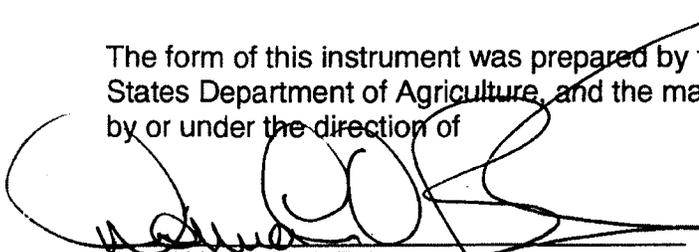


NOTARY PUBLIC

My commission expires: _____



The form of this instrument was prepared by the Office of the General Counsel of the United States Department of Agriculture, and the material in the blank spaces in the form was inserted by or under the direction of



DONNA L. O'BRIEN
Senior Area Specialist

Appendix F
Gardeners Court Documentation
(Block 100 Lot 2)

**Council on Affordable Housing (COAH)
Supportive and Special Needs Housing Survey**

Municipality: Washington Borough County: Warren
 Sponsor: DDD Developer: _____
 Block: 100 Lot: 2 Street Address 201 West Washington Avenue
 Facility Name: Gardner Court Apartments

<p>Section 1: Type of Facility:</p> <p><input checked="" type="checkbox"/> Licensed Group Home</p> <p><input type="checkbox"/> Transitional facility for the homeless (not eligible for COAH credit after June 2, 2008)</p> <p><input type="checkbox"/> Residential health care facility (licensed by NJ Dept. of Community Affairs or DHSS)</p> <p><input type="checkbox"/> Permanent supportive housing</p> <p><input type="checkbox"/> Supportive shared housing</p> <p><input type="checkbox"/> Other – Please Specify: _____</p>	<p>Section 2: Sources and amount of funding committed to the project :</p> <p><input type="checkbox"/> Capital Application Funding Unit \$ _____</p> <p><input type="checkbox"/> HMFA Special Needs Housing Trust Fund \$ _____</p> <p><input type="checkbox"/> Balanced Housing – Amount \$ _____</p> <p><input type="checkbox"/> HUD – Amount \$ _____ Program _____</p> <p><input type="checkbox"/> Federal Home Loan Bank – Amount \$ _____</p> <p><input type="checkbox"/> Farmers Home Administration – Amount \$ _____</p> <p><input type="checkbox"/> Development fees – Amount \$ _____</p> <p><input type="checkbox"/> Bank financing – Amount \$ _____</p> <p><input type="checkbox"/> Other – Please specify: _____</p> <p><input type="checkbox"/> For proposed projects, please submit a pro forma</p> <p><input type="checkbox"/> Municipal resolution to commit funding, if applicable</p> <p><input type="checkbox"/> Award letter/financing commitment (proposed new construction projects only)</p>
<p>Section 3: For all facilities other than permanent supportive housing:</p> <p>Total # of bedrooms reserved for:</p> <p>Very low-income clients/households _____</p> <p>Low-income clients/households _____</p> <p>Moderate-income clients/households _____</p> <p>Market-income clients/households _____</p>	<p>Section 4: For permanent supportive housing:</p> <p>Total # of units <u>14</u>, including:</p> <p># of very low-income units _____</p> <p># of low-income units <u>14</u></p> <p># of moderate-income units _____</p> <p># of market-income units _____</p>
<p>Section 5:</p> <p>Length of Controls: <u>40</u> years</p> <p>Effective Date of Controls: <u>1/28/1998</u></p> <p>Expiration Date of Controls: <u>7/29/2038</u></p> <p>Average Length of Stay: _____ months (transitional facilities only) <u>Permanent Residents</u></p>	<p>Section 6:</p> <p><input type="checkbox"/> CO Date: <u>3/17/1999</u></p> <p>For licensed facilities, indicate licensing agency:</p> <p><input checked="" type="checkbox"/> DDD <input type="checkbox"/> DMHS <input type="checkbox"/> DHSS <input type="checkbox"/> DCA <input type="checkbox"/> DCF</p> <p><input type="checkbox"/> Other _____</p> <p>Initial License Date: <u>1/1998</u></p> <p>Current License Date: <u>11/2009</u></p>

Section 7:
 Has the project received project-based rental assistance? Yes ___ No; Length of commitment: **1 Year**
 Other operating subsidy sources: _____; Length of commitment: _____
 Is the subsidy renewable? Yes ___ No

Section 8: The following verification is attached:
 Copy of deed restriction or mortgage and/or mortgage note with deed restriction (30-year minimum, HUD, FHA, FHLB, UHAC deed restriction, etc.)
 Copy of Capital Application Funding Unit (CAFU) or DHS Capital Application Letter (20 year minimum, no deed restriction required)

Section 9:
 Residents 18 yrs or older? Yes ___ No Age-restricted? ___ Yes No
 Population Served (describe): **Developmentally Disabled** Accessible (in accordance with NJ Barrier Free Subcode)? Yes ___ No

Section 10: Affirmative Marketing Strategy (check all that apply):
 DDD/DMHS/DHSS waiting list
 Affirmative Marketing Plan approved by the Council's Executive Director **(HUD 811 PRAC - Per our AFHMP with HUD, all tenants must be referred by DDD waiting list.)**

CERTIFICATIONS

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by: *Sonnie Hill* 4-5-2010
 Project Administrator Date

Certified by: _____
 Municipal Housing Liaison Date

**Council on Affordable Housing (COAH)
Alternative Living Arrangement Survey**

Municipality: Washington Bow County: Warren
 Sponsor: DDD Developer: _____
 Block: 100 Lot: 2 Street Address: 201 W. Washington Avenue
 Facility Name: Garden Court Apts.

Type of Facility:

- Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS))
- Transitional facility for the homeless
- Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- Congregate living arrangement
- Other - Please Specify: _____

For proposed new construction projects only:

- Sources of funding committed to the project (check all that apply):
- Capital funding from State - Amount \$ _____
 - Balanced Housing - Amount \$ _____
 - HUD - Amount \$ _____
 - Federal Home Loan Bank - Amount \$ _____
 - Farmers Home Administration - Amount \$ _____
 - Development fees - Amount \$ _____
 - Bank financing - Amount \$ _____
 - Other - Please specify: _____

of bedrooms occupied by low-income residents 14
 # of bedrooms occupied by moderate-income residents 0
 Separate bedrooms? Yes No
 Affordability Controls? Yes No
 Length of Controls: 40 years
 Effective Date of Controls: 1/28/1998
 Expiration Date of Controls: 7/29/2038
 Average Length of Stay: _____ months (transitional facilities only) Permanent residents

Are funding sources sufficient to complete project?
 Yes No

Residents qualify as low or moderate income?
 Yes No

Average - 30% of me as rent (Basic income used)

CO Date: 3/17/1999

Indicate licensing agency:

- DDD DMHS DHSS DCA

Initial License Date: 1/1/1998

Current License Date: 1/1/2005

The following verification is attached:

- Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older? Yes No

Age-restricted? Yes No

Population Served (describe): Developmentally disabled

Accessible (in accordance with NJ Barrier Free Subcode)? Yes No

Affirmative Marketing Strategy (check all that apply):

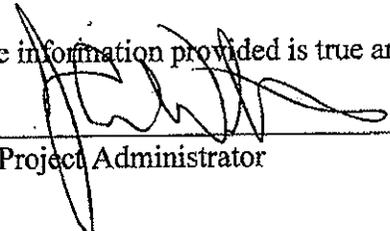
DDD/DMHS/DHSS/DCA waiting list

(HUD 811 Prac)

Other (please specify): Per our AFAMP with HUD, all tenants must be referred by DDD waiting list...

CERTIFICATIONS

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by:  _____ Date _____
Project Administrator

Certified by: _____ Date _____
Municipal Housing Officer

Capital Advance Program Instructions for the Preparation of Mortgage, Deed of Trust, or Security Deed

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0470 (exp. 12/31/93)

Under Section 202 of the Housing Act of 1959 or Section 811 of the National Affordable Housing Act

Public Reporting Burden for this collection of information is estimated to average 6.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600 and to the Office of Management and Budget, Paperwork Reduction Project (2502-0470), Washington, D.C. 20503. Do not send this completed form to either of these addresses.

Use this form to prepare the mortgage, deed of trust, or security deed of housing and urban development for the making of a capital advance. This form is to be used in the jurisdiction in which the mortgage, deed of trust, or security deed is to be made. The form is shown below and on the following pages. Appropriate modifications will be necessary to conform to the special features of the State of New Jersey. Appropriate modifications will be necessary to conform to the special features of the State of New Jersey. Appropriate modifications will be necessary to conform to the special features of the State of New Jersey.

This Indenture, made this day of , 19 98, between Warren Housing Opportunities Corporation, a corporation not for profit organized and existing under the laws of the State of New Jersey, and the United States of America acting by and through the Secretary of Housing and Urban Development, hereinafter referred to as Mortgagee.

Witnesseth: That whereas the Mortgagor is justly indebted to the Mortgagee in the principal (capital advance amount) sum of Eight Hundred eighty-two thousand six hundred Dollars (\$ 882,600.00), evidenced by its note of even date herewith, said principal being payable provided in said note with a final maturity of July 29, 2038, which note is identified as being secured hereby by a certificate thereon. Said note and all of its terms are incorporated herein by reference and this conveyance shall secure any and all extensions thereof, however evidenced.

Now, Therefore, the said Mortgagor, for the better securing of the payment of the said principal sum of money and the performance of the covenants and agreements herein contained, does by these presents Convey, Mortgage, and Warrant unto the Mortgagee, successors or assigns, the following described real estate situate, lying, and being in the Borough of Washington, and known and designated as 1 - 7 & 2 - 8 Gardners Court, Washington, New Jersey, in the County of Warren, and the State of New Jersey, to wit:

* Schedule A - See attached Legal Description

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging, and the rents, issues, and profits thereof; and all apparatus and fixtures of every kind in, or that may be placed in, any building now or hereafter standing on said land, and also all the estate, right, title, and interest of the said Mortgagor in and to said premises; including but not limited to all gas and electric fixtures; all radiators, heaters, furnaces, heating equipment, steam and hot-water boilers, stoves and ranges; all elevators and motors; all bathtubs, sinks, water closets, basins, pipes, faucets, and other plumbing fixtures; all mantels and cabinets; all refrigerating plants and refrigerators, whether mechanical or otherwise; all cooking apparatus; all furniture, shades, awnings, blinds, and other furnishings; all of which apparatus, fixtures, and equipment, whether affixed to the realty or not, shall be considered real estate for the purposes hereof; and including all furnishings now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the lands herein described which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, and all renewals or replacements thereof or articles in substitution therefor; together with all building materials and equipment now or hereafter delivered to said premises and intended to be installed therein;

To Have And To Hold the above-described premises, with the appurtenances and fixtures, unto the said Mortgagee, successors and assigns forever, for the purposes and uses herein set forth.

And Said Mortgagor covenants and agrees:

1. That it will pay the Mortgage Note at the times and in the manner provided therein;
2. That it will not permit or suffer the use of any of the property for any purpose other than the use for which the same was intended at the time this Mortgage was executed;
3. That the Regulatory Agreement, executed by the Mortgagor and the Secretary of Housing and Urban Development, which is being recorded simultaneously herewith, is incorporated in and made a part of this Mortgage. Upon default under the Regulatory Agreement, the Mortgagee, at his/her option, may declare the whole indebtedness secured to be due and payable;
4. That all rents, profits and income from the property covered by this Mortgage are hereby assigned to the Mortgagee for the purpose

on the failure of the Mortgagor to keep and perform any of the covenants, conditions, and agreements of said Capital Advance Agreement. This covenant shall be terminated upon completion of the improvements to the satisfaction of the Mortgagee and the making of the final payment as provided in said Capital Advance Agreement;

- 17. The Mortgagor, will pay to the Mortgagee as required, until the final maturity date, a sum equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by the Mortgage, plus the premiums that will next become due and payable on policies of fire and other property insurance covering the premises covered hereby, plus water rates, taxes, and assessments next due on the premises covered hereby (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one (1) month prior to the date when such ground rents, premiums, water rates, taxes and special assessments shall become due.
- 18. Any excess funds accumulated under the preceding paragraph remaining after payment of the items therein mentioned shall be credited to subsequent payments of the same nature required thereunder; but if any such item shall exceed the estimate therefor the Mortgagor shall without demand forthwith make good the deficiency. Failure to do so before the due date of such item shall be a default hereunder. If the property is sold under foreclosure or is otherwise acquired by the Mortgagee after default, any remaining balance of the accumulations under the preceding paragraph shall be credited to the principal of the Mortgage as of the date of commencement of foreclosure proceedings or as of the date the property is otherwise acquired; and
- 19. That the Mortgagee shall have the right to inspect the mortgaged premises at any reasonable time.
- 20. That so long as the Mortgage and Note secured hereby are outstanding, it will not (a) rent dwelling accommodations in the mortgaged premises in excess of the rates approved by the Mortgagee or for periods of less than one month; (b) rent the premises as an entirety; (c) rent the premises or any part thereof to any persons for the purpose of subleasing; (d) rent the premises or permit its use for hotel or transient purposes; (e) require of any tenant as a condition of occupancy life-lease contracts, fees or other payments over and above those for rents, utilities, and collateral services.
- 21. In The Event of default in making any payment provided for herein or in the note secured hereby for a period of thirty (30) days after the due date thereof, or in case of a breach of any other covenant herein stipulated, then the whole of said principal sum shall, at the election of the Mortgagee, without notice, become immediately due and payable, in which event the Mortgagee shall have the right immediately to foreclose this Mortgage;

22. And In Case Of Foreclosure of this Mortgage by said Mortgagee in any court of law or equity, a reasonable sum shall be allowed for the solicitor's fees of the complainant, not to exceed in any case five percentum (5%) of the amount of the principal indebtedness found to be due, and the stenographer's fees of the complainant in such proceeding, and costs of minutes of foreclosure, master's fees, and all other costs of suit, and also for all outlays of documentary evidence and the cost of a complete abstract of title for the purpose of such foreclosure; and in case of any other suit, or legal proceeding, instituted by the Mortgagee to enforce the provisions of this Mortgage or in case of any suit or legal proceeding wherein the Mortgagee shall be made a party thereto by reason of this Mortgage, its costs and expenses, and the reasonable fees and charges of the attorneys or solicitors of the Mortgagee, so made parties, for services in such suit or proceedings, shall be further lien and charge upon said premises under this Mortgage, and all such expenses shall become so much additional indebtedness secured hereby and be allowed in any decree foreclosing this Mortgage;

23. And There Shall Be Included in any decree foreclosing this Mortgage and be paid out of the proceeds of any sale made in pursuance of any such decree: (1) All the costs of such suit or suits, advertising, sale, and conveyance, including attorney's, solicitors', and stenographers' fees, examination of title; (2) All the moneys advanced by the Mortgagee, if any, for any purpose authorized in the mortgage, with interest on such advances at the rate specified by the Mortgagee, from the time such advances are made; (3) All the accrued interest remaining unpaid on the indebtedness hereby secured; (4) All the said principal sum. The over-plus of the proceeds of sale, if any, shall then be paid as the court may direct;

24. A Reconveyance of said premises shall be made by the Mortgagee to the Mortgagor on full payment of the indebtedness aforesaid, the performance of the covenants and agreements herein made the Mortgagor, and the payment of the sums owed under the terms of the said note.

25. It Is Expressly Agreed that no extension of the time for payment of the debt hereby secured given by the Mortgagee to any successor in interest of the Mortgagor shall operate to release, in any manner, the original liability of the Mortgagor;

26. The Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on its own behalf and on behalf of each and every person except decree or judgment creditors of the Mortgagor acquiring any interest in or title to the premises subsequent to the date of this Mortgage;

27. The Covenants Herein Contained shall bind, and the benefits and advantages shall inure to, the successors and assigns of the respective parties hereto. Wherever used, the singular number shall be plural, the plural the singular, and the use of any gender shall be applicable to a genders.

In Witness Whereof, the Mortgagor has caused its corporate seal to be hereunto affixed and these presents to be signed by its Secretary and attested by its The Board of Trustees on the day and year first above written, pursuant to authority given by resolution duly passed by of said corporation.

[Corporate Seal]

By President	Attest Secretary
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discharging the debt hereby secured. Permissi hereby given to Mortgagor so long as no default exists hereunder, to collect such rents, profits and income for use in accordance with the provisions of the Regulatory Agreement;

4. That upon default hereunder Mortgagee shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the property described herein and operate same and collect the rents, profits and income therefrom;
 6. That at the option of the Mortgagor the principal balance secured hereby may be adjusted on terms acceptable to the Mortgagee if partial prepayment results from an award in condemnation in accordance with provisions of paragraph 8 herein, or from an insurance payment made in accordance with provisions of paragraph 7 herein, where there is a resulting loss of project income;
 7. That the Mortgagor will keep the improvements now existing or hereafter erected on the mortgaged property insured against loss by fire and such other hazards, casualties, and contingencies, as may be stipulated by the Mortgagee, and all such insurance shall be evidenced by standard Fire and Extended Coverage Insurance policy or policies, in amounts not less than necessary to comply with the applicable Coinsurance Clause percentage, but in no event shall the amounts of coverage be less than eighty per centum (80%) of the insurable value or not less than the principal sum of the Mortgage, whichever is the lesser, and in default thereof the Mortgagee shall have the right to effect insurance. Such policies shall be endorsed with standard Mortgage Clause with loss payable to the Mortgagee, as interest may appear, and shall be deposited with the Mortgagee;
- That if the premises covered hereby, or any part thereof shall be damaged by fire or other hazard against which insurance is held as hereinabove provided, the amounts paid by any insurance company, to the extent of the principal sum remaining, shall be paid to the Mortgagee, and, at his/her option, may be applied to the debt or released for the repairing or rebuilding of the premises;
8. That all awards of damages in connection with any condemnation for public use or injury to any of said property are hereby assigned and shall be paid to Mortgagee, and Mortgagee is hereby authorized, in the name of Mortgagor, to execute and deliver valid acquittance thereof and to appeal from any such award;
 9. That it is lawfully seized and possessed of said real estate in fee simple and has good right to convey same;
 10. To keep said premises in good repair, and not to do, or permit to be done, upon said premises, anything that may impair the value thereof, or of the security intended to be effected by virtue of this instrument; that it will not make any structural alterations to the building without the written consent of the Mortgagee; to pay to the Mortgagee, or deposit in an escrow account acceptable to the Mortgagee, as hereinafter provided, until the final maturity date, a sum sufficient to pay all taxes and special assessments that heretofore or hereafter may be lawfully levied, assessed or imposed by any taxing body upon the said land, or upon the Mortgagor or Mortgagee on account of the ownership thereof to the extent that provision has not been made by the Mortgagor for the payment of such taxes and special assessments as hereinafter provided in subparagraph 17;
 11. In case of the refusal or neglect of the Mortgagor to make such payments, or to satisfy any prior lien or encumbrances, or to keep said premises in good repair, the Mortgagee may pay such taxes, assessments, and insurance premiums, when due, and may make such repairs to the property herein mortgaged as in the Mortgagee's discretion he/she may deem necessary for the proper preservation thereof, and any moneys so paid or expended shall become so much additional indebtedness, secured by this Mortgage, to be paid out of the proceeds of the sale of the mortgaged premises, if not otherwise paid by the Mortgagor, and shall bear interest at the rate to be specified by the Mortgagee from the date of advance until paid, and shall be due and

payable on demand.

12. It is expressly provided, however (all other provisions of this Mortgage to the contrary notwithstanding), that the Mortgagee shall not be required nor shall he/she have the right to pay, discharge, or remove any tax, assessment, or tax lien upon or against the premises described herein or any part thereof or the improvements situated thereon, so long as the Mortgagor shall, in good faith, contest the same or the validity thereof by appropriate legal proceedings brought in a court of competent jurisdiction, which shall operate to prevent the collection of the tax, assessments, or lien so contested and the sale or forfeiture of the said premises or any part thereof to satisfy the same, but in the event of a tax contest, the Mortgagor shall deposit with the Mortgagee an amount estimated by the Mortgagee sufficient to satisfy all taxes, penalties, interest, and costs which may reasonably accrue during such contest;
13. That it will not voluntarily create or permit to be created against the property subject to this Mortgage any lien or liens inferior or superior to the lien of this Mortgage and further that it will keep and maintain the same free from the claim of all persons supplying labor or materials which will enter into the construction of any all buildings now being erected or to be erected on said premises;
14. That the improvements about to be made upon the premises above described and all plans and specifications comply with all municipal ordinances and regulations made or promulgated by lawful authority, and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of applicable fire rating or inspection organization, bureau, association, or office. In the event the Mortgagor shall at any time fail to comply with such rules, regulations, and ordinances which are now or may hereafter become applicable to the premises above described, after due notice and demand by the Mortgagee, thereupon the principal sum and all arrears of interest and other charges provided for herein, shall at the option of the Mortgagee become due and payable;
15. The Mortgagor covenants and agrees that so long as this Mortgage and the said note secured hereby are outstanding, it will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the mortgaged property on the basis of race, color, national origin, sex, familial status, handicap, age, or creed, unless permitted by the Housing Act of 1959 or the National Affordable Housing Act and the HUD regulations promulgated thereunder.
16. That the funds to be advanced herein are to be used in the construction of certain improvements on the lands herein described, in accordance with a Capital Advance Agreement between the Mortgagor and Mortgagee dated January 28, 1998, which Capital Advance Agreement (except such part or parts thereof as may be inconsistent therewith) is incorporated herein by reference to the same extent and effect as if fully set forth and made a part of this Mortgage; and if the construction of the improvements to be made pursuant to said Capital Advance Agreement shall not be carried on with reasonable diligence, or shall be discontinued at any time for any reason other than strikes or lock-outs, the Mortgagee, after due notice to the Mortgagor or any subsequent owner, is hereby invested with full and complete authority to enter upon said premises, employ watchmen to protect such improvements from depredation or injury and to preserve and protect the personal property therein, and to continue any and all outstanding contracts for the erection and completion of said buildings, to make and enter into any contracts and obligations wherever necessary, either in his/her own name or in the name of the Mortgagor, and to pay and discharge all debts, obligations, and liabilities incurred thereby. All such sums so advanced by the Mortgagee (exclusive of portions of the principal of the indebtedness secured thereby) shall be additionally secured by this Mortgage and shall be due and payable on demand with interest at the rate to be specified by the Mortgagee. The principal sum and other charges provided for herein shall, at the option of the Mortgagee or holder of this Mortgage and the note securing the same, become due and payable

Appendix G

Towne Center Project Documentation (Block 95 Lots 3 & 4)

SECOND AMENDMENT TO REDEVELOPER'S AGREEMENT

THIS AGREEMENT, made and entered this *22nd* day of *June* 2017

BY AND BETWEEN:

JADE PARTNERS WASHINGTON, LLC (soon to be known as **JADE PARTNERS URBAN RENEWAL, LLC**), a New Jersey limited liability company with offices located at 16 Wolfe Run, Long Valley, New Jersey 07054,

hereinafter referred to as the "Redeveloper"

AND

BOROUGH OF WASHINGTON, a Municipal Corporation in the County of Warren and State of New Jersey, with offices located at 100 Belvidere Avenue, Washington, New Jersey 07822,

hereinafter referred to as the "Borough."

WITNESSETH:

WHEREAS, the Redeveloper is the current owner of the tract or parcel of land (the "Property") described on the Borough Tax Map as Block 95, Lots 3 and 4, which have been merged in a single Lot 4; and

WHEREAS, the Redeveloper received preliminary and final site plan approval with variance relief and conditions from the Borough of Washington Planning Board (the "Planning Board") pursuant to a resolution adopted on January 13, 2014, memorializing the Board's action on December 9, 2013 and amended pursuant to a resolution adopted on June 9, 2014, memorializing the Board's action on May 12, 2014 and further amended pursuant to a resolution adopted on September 8, 2014 memorializing the Board's action on August 11, 2014 (collectively, the "Resolutions") for the redevelopment of the Property consisting of demolition of the current structures on the Property and construction of a four story mixed use building of approximately 15,344 square feet with parking for 95 cars (the "Project"); and

WHEREAS, the Property is located in the Washington Avenue Core District of the Borough Redevelopment Plan and is required to be developed in accordance with the Redevelopment Plan; and

WHEREAS, the Redeveloper entered into a Redeveloper's Agreement with the Borough dated September 16, 2014, which was amended on August 16, 2016 by Borough Council Resolution #127-16, setting forth the rights, duties and obligations of the parties in connection with the Approval and approved Plans, which are attached hereto as **Exhibit A** and **Exhibit B**

respectively and incorporated herein by reference (collectively, "Redeveloper's Agreement"); and

WHEREAS, since execution of the Redeveloper's Agreement, the circumstances regarding the Borough's requirement to provide affordable housing for low and moderate income families have drastically changed;

WHEREAS, the Borough of Washington has filed a Declaratory Judgment Action in the Superior Court of New Jersey, Hunterdon County, in furtherance of the Supreme Court's March 10, 2015, decision captioned In re Adoption of N.J.A.C. 5:96 & 5:97 by N.J. Council on Affordable Housing, 221 N.J. 1 (2015) (the "Supreme Court Decision"), which was assigned to the Honorable Thomas C. Miller P.J. Cv.; and

WHEREAS, the Borough anticipated that as part of that litigation, it will be assigned, for the first time, a prospective affordable housing obligation; and

WHEREAS, the Borough has identified Redeveloper's site as a suitable site on which to provide for affordable housing; and

WHEREAS, the Resolutions did not require the Redeveloper to provide a set aside for affordable housing; and

WHEREAS, the Redeveloper has proposed to set aside twenty percent (20%) of the proposed fifty units on the Property (i.e. ten units) and deed restrict such for affordable housing as rental units in exchange for a \$30,000 per unit contribution from the Borough's Affordable Housing Trust Fund; and

WHEREAS, N.J.A.C. 5:93-8.16 provides that "A municipality may use revenues collected from development fees for any activity approved by the Council for addressing the municipal fair share. Such activities include, but are not limited to: rehabilitation, *new construction*, RCAs, ECHO housing, purchase of land for low and moderate income housing, improvement of land to be used for low and moderate income housing, extensions and/or improvements of roads and infrastructure to low and moderate income housing sites, assistance designed to render units to be more affordable and administration of the implementation of the housing element." [emphasis added]; and

WHEREAS, due to the above-referenced Declaratory Judgment Action and the Supreme Court Decision, the Borough will be required to receive approval from the Superior Court to amend its affordable housing spending plan to disburse funds under this Agreement; and

WHEREAS, the Borough desires to provide Redeveloper with such funds and the Redeveloper desires to proceed with the Redevelopment of the Property and to install the improvements in accordance with the Approval and approved Plans; and

WHEREAS, pursuant to Ordinance #5-2013, Resolution #198-2013, and the First Amendment to the Redeveloper's Agreement, the Borough agreed to sell to Redeveloper a

certain parking lot deemed to be surplus property and designated as Block 95, Lot 31 (“Parking Lot”); and

WHEREAS, due to financial circumstances, the closing on the sale of the Parking Lot was not completed in the agreed upon time; and

WHEREAS, the Borough and the Redeveloper desire to complete such transaction; and

WHEREAS, the Borough and Redeveloper have determined that it is in the best interest all parties to amend the Redeveloper’s Agreement to enter into an agreement pursuant to the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.; and

WHEREAS, the Borough and Redeveloper wish to amend the existing Redeveloper’s Agreement to reflect the new agreements regarding the provision of affordable housing units, the sale of the Parking Lot, and the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.; and

WHEREAS, any term of the Redeveloper’s Agreement not specifically modified herein remains in full force and effect and binding upon Redeveloper.

NOW, THEREFORE, in consideration of the foregoing, and the agreements and conditions of the Redeveloper’s Agreement, Approval and approved Plans, it is mutually agreed by and between parties hereto, as follows:

1. **Affordable Housing Trust Fund Contribution.**

a. *Amount.* In exchange for the promises and covenants set forth herein, the Borough shall pay to the Redeveloper the amount of \$300,000, subject to all terms and conditions herein.

b. *Recording of Deed Restriction.* Redeveloper and the Borough shall execute a Deed Restriction a form substantially the same as attached hereto as **Exhibit D**. The Deed Restriction Such document shall be recorded with the Warren County Clerk upon issuance of the first certificate of occupancy for the Project.

If the affordable rental units are not completed within two (2) years’ of the execution of this Agreement, the Borough shall have the right pursuant to subsection (g) hereunder to seek return of any monies paid to the Owner hereunder. The Owner shall have the right to request an extension of this deadline from the Township Committee, which shall not be unreasonably withheld.

c. *Recording of Temporary Mortgage on Parking Lot Property.* Pursuant to Section 7 hereunder, Redeveloper shall purchase certain property from the Borough located at Block 95, Lot 31 and currently used as a municipal parking lot (the “Parking Lot”). In order to secure the Borough’s interest in the completion of the affordable rental units, Redeveloper and the Borough shall execute a Temporary Mortgage on the Parking Lot in a form substantially the same as attached hereto as **Exhibit E**. The Temporary Mortgage is only intended to remain in effect until the residential portion of the Project is complete to ensure that the affordable rental

units are completed. The Temporary Mortgage shall be recorded with the Warren County Clerk upon execution of this Agreement. Within thirty (30) days of the issuance of the final certificate of occupancy for all ten (10) of the affordable rental units in the Project, the Borough shall file a discharge of the Temporary Mortgage. However, such discharge shall not occur until the Deed Restriction pursuant to subsection (b) hereunder is duly recorded.

If the affordable rental units are not completed within two (2) years of the execution of this Agreement, the Borough shall have the right to enforce the Temporary Mortgage. The Owner shall have the right to request an extension of this deadline from the Township Committee, which shall not be unreasonably withheld.

d. *Payment Schedule.* Payment from the Affordable Housing Trust Fund shall be made in six (6) installments based upon the below construction schedule. After the requisite work is complete, Redeveloper shall contact the Township Engineer in writing with a copy to the Borough Manager to inspect that such work was completed. The Borough Construction Code Official shall inspect the Property within thirty (30) days of receipt of such request from the Redeveloper. The Borough Construction Code Official shall then make a recommendation to the Borough's governing body regarding completion of the requisite work. All payments shall be made to Redeveloper within thirty (30) days of recommendation of the Borough Construction Code Official and submission of a proper payment voucher by Redeveloper to the Borough.

- i. First payment in the amount of \$75,000 shall be due upon demolition of the existing structures on the Property. However, such payment shall not be made until and unless the Borough receives approval from the Superior Court to amend its spending plan pursuant to subsection 2 below. If the demolition is completed prior to the Court's approval, the first payment shall be issued within 30 days of receipt of approval from the Court.
- ii. Second Payment in the amount of \$45,000 shall be due upon excavation and preparation of footing trenches and satisfactory inspections and approvals thereof.
- iii. Third Payment in the amount of \$45,000 shall be due upon complete erection of rough framing and satisfactory inspections and approvals thereof.
- iv. Fourth Payment in the amount of \$45,000 shall be due upon dry-in of structure and rough-in of all electrical, plumbing, HVAC, and mechanical systems and satisfactory inspections and approvals thereof.
- v. Fifth Payment in the amount of \$45,000 shall be due upon substantial completion of structure including but not limited to, finish of exterior façade, external utility (water, sewer, electric, and natural gas) hookups, finish plumbing, and interior trim-out.

vi. Sixth Payment in the amount of \$45,000 shall be due upon issuance of Certificates of Occupancy by Construction Code Official.

e. *Designation and Construction of Units.* Redeveloper agrees to designate ten (10) units to be constructed on the Property as affordable housing rental units. Redeveloper shall construct all affordable rental housing and provide for appropriate bedroom mixes in compliance with the current Council on Affordable Housing substantive rules and the Uniform Housing Affordability Control Regulations.

f. *Administration.* Redeveloper shall be responsible for administering the affordable housing units. The Borough shall have no financial obligations under this provision to assure the creditworthiness of the units, and all associated expenses shall be solely borne by the Developer, its successors, or assigns, which expenses include, but are not limited to providing an Administrative Agent at its exclusive expense to perform all administrative tasks. The administrative tasks include those responsibilities as set forth in N.J.A.C. 5:80-26.14 including, but not limited to, conducting an outreach process, conducting interviews with interested households, creating and maintaining a list of eligible households, determining income eligibility and all other activities to ensure that restricted units are rented to low- and moderate-income households. Redeveloper shall also be responsible for the costs of all funding applications including, but not limited to, low income housing tax credits, special needs trust funds, County HOME funds, Federal Home Loan Bank financing, construction and permanent financing.

g. *Cooperation with Reporting.* The Parties acknowledge that the Borough may have the obligation from time to time to generate information necessary to demonstrate the creditworthiness of the units. Redeveloper will cooperate with the Town and provide all monitoring and reporting requirements within fifteen (15) business days of the request.

h. *Remedies and Enforcement.* In the event that Redeveloper fails to complete the Project within two (2) years of the date of this Agreement, the Borough shall have all remedies in law or equity, including seeking a return of all monies paid pursuant to subsection (c) hereunder and all remedies available pursuant to the Temporary Mortgage and Deed Restriction set forth in subsection (b) hereunder.

2. **Amendment of Spending Plan.** Pursuant to N.J.S.A. 52:27D-329.2 et seq. and Borough Code Section 94-92, the Borough is not authorized to make any payments from its Affordable Housing Trust Fund without approval of a spending plan by the Council on Affordable Housing or a Court of competent jurisdiction. The payment to Redeveloper was not included in the Borough's previously approved spending plan. Therefore, the Borough must apply to the Superior Court of New Jersey in order to amend its spending plan. Within thirty days of execution of this Agreement, the Borough shall make such necessary application.

3. **Waiver of Payment of Development Fees.** Pursuant to Paragraph 24 of the Redeveloper's Agreement, Redeveloper was required to comply with Chapter 94, Article X, "Development Fees" of the Borough Code requiring certain contributions to the affordable housing trust fund or obtain relief from such requirement from the Borough Council. In light of the fact that such project is located in a redevelopment district and the Redeveloper shall be providing for affordable housing; such requirement is hereby waived.

4. **Stormwater Maintenance and Drainage Facilities.** Storm and surface waters shall be directed to drainage facilities in accordance with the drainage system shown on the approved Plans and said installation shall meet the approval of the Borough Engineer and any other required State or County entity. The Redeveloper represents that such drainage facilities shall be located on the Property and no other easements are required. The Redeveloper shall ensure that all lots and other areas in said development shall be graded and proper drainage installed in accordance with the Plans and at the direction of the Borough Engineer. The Redeveloper shall be responsible for all maintenance of stormwater management measures incorporated into the design of the development of the Property. Therefore, if required by applicable ordinances, statutes or regulations, the Redeveloper must file a maintenance plan with the Warren County Clerk's Office with a copy to the Borough Clerk and Engineer. If required by applicable ordinances, statutes, regulations, or project operations manual the Redeveloper shall file copies of all inspection and maintenance logs annually by April 1st of each year with the Borough Clerk and Borough Engineer. Redeveloper and its successors and / or assigns shall allow the Borough access to such stormwater and drainage facilities in order to inspect such as the Borough deems necessary. The purpose would be to inspect the stormwater management facilities as we deemed necessary in order to comply with applicable NJDEP regulations.

5. **Construction and Staging.** In accordance with the approved Plans, during construction of the project, construction vehicles shall enter the Property via West Washington Avenue and shall not utilize the Access Easement off of South Lincoln Avenue. This shall not restrict permitted ingress and egress use of the easement.

6. **Outstanding Borough Fines.** As a condition of this Agreement, Redeveloper shall pay any outstanding fines assessed against the property for Borough ordinance violations.

7. **Purchase of Parking Lot.** By Ordinance 5-2013 (the "Ordinance"), the Borough Council previously authorized the sale of the certain surplus property (Block 95, Lot 31) owned by the Borough and currently used as a municipal parking lot (the "Parking Lot") to Redeveloper, for \$95,000.00, with a deposit of \$9,500.00. Such deposit is already held in escrow by the Borough Attorney. On or about December 19, 2013, the Borough and Redeveloper executed a Contract of Sale, which is attached hereto as **Exhibit F**. By this Agreement, the closing date of such Contract of Sale is extended.

Title shall close within thirty (30) days from the date of the execution of this Agreement. If title does not close on such date due to any default of the Redeveloper, the Borough shall have the option to cancel the Contract of Sale and this Agreement unilaterally by writing to the Redeveloper and retaining the deposit monies as liquidated damages, in addition to any rights the Borough shall have at law and in equity against the Redeveloper. Redeveloper shall be required to execute an addendum to the Contract of Sale at closing acknowledging the extension of the closing date.

The conveyance shall be subject to public and private rights in any roadways or water courses which may abut or traverse the Parking Lot, restrictions and easements of record, if any, such facts as an accurate and current survey may reveal, and zoning ordinances of the municipality.

The sale of the Parking Lot is "as is" and without contingency, warranty or representation including, by way of example, as to condition of land, suitability for construction of structures thereon, compliance with zoning regulations, subdivision approval, issuance of building permit, environmental factors affecting the Property, and any financing requirements of purchaser. No financing contingencies shall be allowed.

The sale is final and the Redeveloper's deposit will not be returned for any reason except as otherwise provided in the Ordinance, Notice of Sale, this Agreement and the Contract of Sale. It will not be a reason to return the Redeveloper's deposit that the Parking Lot cannot be used for the purpose intended by the Redeveloper or that the Redeveloper cannot obtain the funds necessary to complete the purchase of the Parking Lot by the assigned closing date.

As a condition of the sale, Redeveloper agrees to reserve 6 parking spaces, 24 hours per day, for the exclusive use of Borough residents that do not have off-street parking on their property.

8. **Long Term Tax Exemption.** The Borough acknowledges that the Redeveloper will be submitting an application to the Borough under the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. for approval of an agreement for a payment in lieu of taxes, (hereinafter, the "Financial Agreement"). The Redeveloper and the Borough recognize that the Financial Agreement will benefit the Redeveloper, the Borough, and the potential residents and/or tenants of the Project. If proposed by the Redeveloper, the Borough shall consider and approve such application and adopt the required ordinance within sixty (60) days of the date the Redeveloper files the application with the Borough. Such approval is conditioned upon such application being complete and in compliance with all applicable ordinances, laws, statutes, and regulations. The proposed terms of the Financial Agreement are set forth in **Exhibit C** attached hereto. The Financial Agreement shall be subject to the receipt of all governmental approvals required by the applicable laws. If Redeveloper defaults under this Agreement or fails to obtain all Governmental Approvals within the specified time period or commence construction within the specified time period, the Borough is not obligated to enter into the Financial Agreement or may void such Agreement if already executed.

The Borough further recognizes that in order to be eligible for a tax abatement pursuant to the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., Redeveloper must be an urban renewal entity as defined in N.J.S.A. 40A:20-5. Redeveloper shall make all necessary applications and other arrangements to meet the requirements of the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. In the event that Redeveloper cannot meet such requirements and upon request of the Redeveloper, this provision shall be amended by mutual agreement of the parties to allow for a five-year tax abatement pursuant to N.J.S.A. 40A:21-1 et seq.

9. **Inspection Fees and Escrow.** Pursuant to the Redeveloper's Agreement and Resolutions, Redeveloper established an escrow in the amount of \$10,000 to facilitate payment of attorney review and engineering inspection fees in accordance with N.J.S.A. 40:55D-53.1. Redeveloper further agreed that it would make subsequent installment deposits in the event the deposit balance reaches \$2,500.00. Such account has been depleted and not replenished by the

Redeveloper. Redeveloper is obligated to replenish the inspection fees deposit as required by Borough Ordinance. Within fifteen (15.) days of the execution of this Agreement, Redeveloper shall deposit into said escrow the amount of \$10,000. Moreover, no construction permit or certificate of occupancy shall be issued if such account has not been replenished in accordance with the Redeveloper's Agreement or this Amendment thereto. In the event there is a portion of any amount unused, it shall be returned to the Redeveloper upon approval of the Township Committee.

10. **Extension for Completion of Work.** Pursuant to Paragraph 6 of the Redeveloper's Agreement, Redeveloper was to complete work within two years of signing of the final site plan. Such period has expired. Therefore, Redeveloper shall request a one year extension of such time period from the Planning Board pursuant to Paragraph 6 thereof.

11. **Severability of Provisions.** If any paragraph, section, clause, sentence, provision or other part of this Agreement, or the application thereof to any person, firm or corporation, or its application to any facts or circumstances, shall for any reason be adjudged by a Court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remaining paragraphs, sections, clauses, sentences, provisions, or other parts of this Agreement. The provisions of this contract are intended to be severable.

12. **Limitation of Municipal Liability.** While the terms and conditions set forth in this Agreement are binding upon the Borough, the Board, and the Redeveloper, nothing herein contained shall be construed as preventing the Borough, the Board or the Redeveloper from exercising in any court of law or elsewhere any rights or duties which it may have by statute, ordinance or other law. This Agreement shall not operate to confer upon any such public body any powers, rights or duties it does not now possess, nor abridge the rights of the Redeveloper vis-a-vis any such public body.

a. The covenants, undertakings, agreements and other obligations mentioned in this Agreement shall not be construed as a representation by the Borough, the Board, or by any Borough officer, board or employee to have or to assume any contractual or other liability to or with any persons, firms or corporations purchasing any land, buildings or improvements from the redeveloper or otherwise using or having an interest in the same, nor shall this Agreement be construed to create any liability on the part of the Borough or the Board to third persons.

b. Nothing herein contained shall be construed to render the Borough or any of its officers, boards or employees liable for any charges, costs or debts for material, labor or other expenses incurred in the making of the improvements.

c. Redeveloper shall be and remain liable for any and all damage or money loss incurred by the Borough or its officers or agents by any neglect, wrongdoing, omission or commission of or by the Developer or by any person, firm or corporation acting for the redeveloper hereunder arising from the making of the improvements or the performance of the terms hereof, The Redeveloper shall save, indemnify and hold harmless the Borough, its officers, agents, boards and employees from any and all liability and reasonable costs incurred in defending, negotiating or settling any action which may arise from any such damage or loss, from the making of the improvements by Redeveloper or the performance of the terms hereof

except for improvements not installed by Redeveloper unless the Borough or its agents shall have acted contrary to law or failed to perform acts required by law or by this Agreement.

d. Nothing contained in this Agreement shall be construed to give any person or legal entity, not a party to this Agreement, any claim against the Borough or any of its agencies with respect to the manner of the installation of improvements, or for any damages arising therefrom.

13. **Indemnification.** Redeveloper shall be and remain liable for any and all damage or money loss occasioned to the Borough or the Board or their officers or agents by any neglect, wrongdoing, omission or commission of or by the Redeveloper or by any person, firm or corporation acting for the developer arising from the making of the site improvements, from the performance of the terms hereof, from the granting of site plan approval, or from or out of this Agreement, and shall save, indemnify and hold harmless the Borough, its officers, agents, boards and employees, and the Board, its members, officer, agents and employees, from any and all actions at law or in equity, charges, debts, liens, encumbrances, costs, counsel fees, and engineer and surveying fees which may arise from any such damage or loss, from the making or the improvements, from the performance of the terms hereof, from the granting of site plan approval or from or out of this Agreement unless the Borough or its agents shall have been judicially determined to have acted contrary to law or failed to perform acts required by law or by this Agreement or have been guilty of negligence which is actionable by law under N.J.S.A. 59:1-1 *et seq.* This indemnification shall not affect the Redeveloper's right to proceed against any third parties.

14. **Notices.** All notices sent pursuant to this Agreement shall be in writing and directed to the party at the address set forth at the beginning of this Agreement, unless prior to the notice being sent the party has delivered a substitute address to the other party by certified mail, return receipt requested, in which case the notice shall be sent to that address.

15. **Successors Bound.** The Redeveloper further agrees that this Agreement shall be binding upon the Redeveloper and the Redeveloper's heirs, personal representatives, successors or assigns (as the case may be), notwithstanding the fact that it may sell, transfer, encumber or otherwise dispose of the property or any portion thereof, and the performance guarantee called for herein shall remain in full force and effect in any such event. In the event of such transfer, the escrow accounts and any bonds posted by the Developer shall not be released in whole or in part, until the successor developer, assignee, person or entity has posted sufficient review and inspection escrows and bonds, as determined by the Town Attorney and Chief Financial Officer, and countersigns this Agreement, or executes a new developer's agreement with the Borough, as directed by the Borough Attorney.

16. **No Waiver.** Nothing contained in this Agreement shall be deemed a waiver by any party of its rights under any ordinance or state statute or other law, or be construed as an abridgment, preemption or waiver of the powers of the Borough, approving authority, or any other agency or public body.

17. **Provisions Enforceable as Conditions.** Each of the provisions of this Agreement shall have the same force and effect as if set forth at length as conditions of the grant of site plan approval.

18. **Amendments in Writing.** This Agreement may be changed, modified, or amended only by a written instrument signed by the parties hereto or their successors.

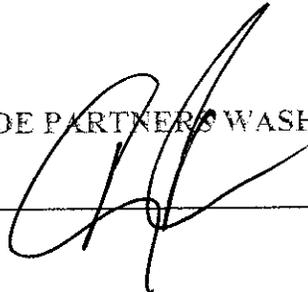
19. **Recording.** This Agreement may be recorded in the discretion of the Borough. It is understood and agreed that the continuing easements and obligations contained in this Agreement may also be included in a Declaration of Covenants and Restrictions filed by the Redeveloper in the Warren County Clerk's Office with such easements and obligations to run with the land.

20. **Deposits as Preconditions.** Building/construction permits or certificates of occupancy shall not be issued unless the deposits mentioned in this Agreement, or other necessary deposits, have been made.

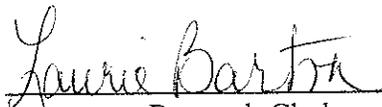
21. **Costs of Enforcement.** If the Redeveloper neglects or fails to carry out any provision of this Agreement within a reasonable time period, the Borough shall have the authority to have the necessary work performed and to charge the Redeveloper or owner for the cost of work done.

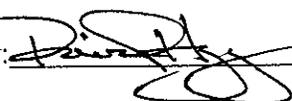
IN WITNESS WHEREOF, the said parties have hereunto caused this Agreement to be signed by their proper representatives (and, if a corporation, have caused their proper seal to be hereunto affixed) the day and year first above written.

ATTEST:

JADE PARTNERS WASHINGTON, LLC
By: 

ATTEST:


Borough Clerk

BOROUGH OF WASHINGTON
By: 
Mayor

TEMPORARY REPAYMENT MORTGAGE
BLOCK 95, LOT 31

THIS REPAYMENT MORTGAGE, made and entered this day of
2017

BY AND BETWEEN:

JADE PARTNERS WASHINGTON, LLC (soon to be known as **JADE PARTNERS URBAN RENEWAL, LLC**), a New Jersey limited liability company with offices located at 16 Wolfe Run, Long Valley, New Jersey 07054, hereinafter referred to as the "**Owner**"

AND

BOROUGH OF WASHINGTON, a Municipal Corporation in the County of Warren and State of New Jersey, with offices located at 100 Belvidere Avenue, Washington, New Jersey 07822, hereinafter referred to as the "**Municipality**" or the "**Borough.**"

WITNESSETH:

WHEREAS, the Owner is the current owner of the tract or parcel of land (the "Parking Lot") described on the Borough Tax Map as Block 95, Lot 31; and

WHEREAS, the Owner received preliminary and final site plan approval with variance relief and conditions from the Borough of Washington Planning Board (the "Board") pursuant to a resolution adopted on January 13, 2014, memorializing the Board's action on December 9, 2013 and amended pursuant to a resolution adopted on June 9, 2014, memorializing the Board's action on May 12, 2014 and further amended pursuant to a resolution adopted on September 8, 2014 memorializing the Board's action on August 11, 2014 (collectively, the "Resolutions") for the redevelopment of Property adjacent to the Parking Lot (Block 95, Lots 3 and 4, which have been merged into a single Lot 4) consisting of demolition of the current structures on the Property and construction of a four story mixed use building of approximately 15,344 square feet with fifty residential rental units (the "Project"); and

WHEREAS, the Owner has agreed to set aside twenty percent (20%) of the proposed fifty residential rental units within the Project (i.e. ten units) and deed restrict

such for affordable housing as rental units in exchange for a \$30,000 per unit contribution from the Borough's Affordable Housing Trust Fund; and

WHEREAS, N.J.A.C. 5:93-8.16 provides that "A municipality may use revenues collected from development fees for any activity approved by the Council for addressing the municipal fair share. Such activities include, but are not limited to: rehabilitation, **new construction**, RCAs, ECHO housing, purchase of land for low and moderate income housing, improvement of land to be used for low and moderate income housing, extensions and/or improvements of roads and infrastructure to low and moderate income housing sites, assistance designed to render units to be more affordable and administration of the implementation of the housing element." [emphasis added]; and

WHEREAS, this Temporary Repayment Mortgage is only intended to ensure completion of the ten (10) affordable rental units and shall cease to be effective upon issuance of all certificates of occupancy for the ten (10) affordable rental units; and

WHEREAS, this Temporary Repayment Mortgage is intended to encumber the Parking Lot, Block 95, Lot 31 *only*; and

NOW, THEREFORE, in consideration of the foregoing, and the agreements and conditions of the Redeveloper's Agreement (and all amendments thereto), Approval and approved Plans, it is mutually agreed by and between parties hereto, as follows:

I. Second Amended Redeveloper's Agreement

In consideration of value received, the Owner has signed a Second Amended Redeveloper's Agreement dated June 21, 2017 (the "Redeveloper's Agreement"). The Owner promises to pay to the Municipality the amounts due under the Redeveloper's Agreement upon default, and to abide by all obligations contained therein.

II. Mortgage as Security for Amount Due

Although this Mortgage only encumbers the Parking Lot (Block 95, Lot 31), this Mortgage is given to the Municipality as security to ensure completion of the ten (10) rental affordable units to be constructed on the Property. This Mortgage shall cease to be effective once all certificates of occupancy are issued for the ten (10) affordable rental units mentioned herein. Within thirty (30) days' of the issuance of the final certificate of occupancy for the affordable rental units or the recording of a valid deed restriction on such units (whichever occurs later), the Borough shall file a Discharge of this Mortgage. The obligation evidenced by the Redeveloper's Agreement does not accrue interest.

III. Description of Property

All of the land and improvements thereon located in the Borough of Washington in the County of Warren, State of New Jersey, described more specifically as Block No. 95, Lot 31.

V. Default

The Municipality may declare the Owner in default on this Mortgage and on the Note if:

1. The Owner attempts to convey an interest in the Parking Lot without giving prior written notice to the Municipality;
2. The holder of any lien on the Parking Lot starts foreclosure proceedings;
or
3. Bankruptcy, insolvency or receivership proceedings are commenced by or against the Owner.
4. Construction of the ten (10) affordable rental units is not complete within two (2) years of the execution of the Redeveloper's Agreement or any reasonable extensions permitted thereto.

VI. Municipality's Rights Upon Default

If the Municipality declares that the Owner is in default of the Redeveloper's Agreement and / or this Mortgage, the Municipality shall have all of the rights given by law or set forth in this Mortgage.

VII. Notices.

ALL NOTICES MUST BE IN WRITING AND PERSONALLY DELIVERED OR SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES FIRST SET FORTH HEREIN ABOVE. ADDRESS CHANGES MAY BE MADE UPON WRITTEN NOTICE, MADE IN ACCORDANCE WITH THIS ARTICLE 7.

VIII. No waiver by Municipality

The Municipality may exercise any right under this Mortgage or under any law, even if the Municipality has delayed in exercising that authority, or has agreed in an earlier instance not to exercise that right. The Municipality does not waive its right to declare the Owner is in default by making payments or incurring expenses on behalf of the Owner.

IX. Each Person Liable.

The Mortgage is legally binding upon each Owner individually and all their heirs, assigns, agents and designees who succeed to their responsibilities. The Municipality may enforce any of the provisions of the Note and of this Mortgage against anyone or more liable individual.

X. Subordination.

This Mortgage will not be subordinate, and will not be subordinated by the Municipality, to any mortgage, refinancing, equity loan, secured letter of credit, or any other obligation secured by the Property, except with respect to (a) any such obligation which was duly recorded prior to the recording hereof, and (b) any such obligation which, when added to all other such obligations recorded against the Property, shall result in total debt secured by the Property being an amount less than the maximum resale price that would be applicable were the Control Period (as such term is defined by law) still in effect.

XI. Subsequent Owners

This Mortgage shall not be released, with respect to any subsequent owner who acquires the property through an exempt transfer unless the transferee shall execute 8 note and mortgage in the form of the Note and this Mortgage, and the same has been duly recorded.

XII. Amendments.

No amendment or change to the Note and this Mortgage may be made, except in a written document signed by both parties.

XIII. Signatures.

By executing this Mortgage, hereof, the Owner agrees to all of its terms and conditions.

[SIGNATURE PAGES FOLLOW]

ATTEST:

JADE PARTNERS WASHINGTON, LLC

By: _____



STATE OF New Jersey SS:

COUNTY OF Warren

I CERTIFY that on this 21 day of June, 2017,
Ray Rice personally came before me and stated to my satisfaction
that this person

- (a) was the maker of the attached instrument;
- (b) was authorized to and did execute this instrument as
Ray Rice of **JADE PARTNERS WASHINGTON, LLC**, the entity
named in this instrument; and
- (c) executed this instrument as the act of **JADE PARTNERS WASHINGTON, LLC**

Witness my hand and seal.

Notary Public Susan Fleming

Printed Name: SUSAN FLEMING

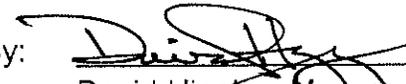
SUSAN FLEMING
NOTARY PUBLIC OF NEW JERSEY

My Commission Expires: ~ My Commission Expires 9/5/2018

ATTEST:

BOROUGH OF WASHINGTON


Laurie Barton, Borough Clerk

By: 
David Higgins, Mayor

I CERTIFY that on June 22, 2017, Laurie Barton personally came before me and acknowledged under oath, to my satisfaction, that:

- (a) She is the Acting Clerk of the **BOROUGH OF WASHINGTON**, the municipal corporation named in the attached document;
- (b) She is the attesting witness to the signing of this document by the proper municipal officer, who is David Higgins, Mayor of the municipal corporation;
- (c) this document was signed and delivered by the municipal corporation as its duly authorized voluntary act;
- (d) She knows the proper seal of the municipal corporation which was affixed to this document; and

She signs this proof to attest to the truth of these facts.

Witness my hand and seal.

Notary Public 

Printed Name: Susan Fleming

My Commission Expires: **SUSAN FLEMING**
NOTARY PUBLIC OF NEW JERSEY
~~My Commission Expires 9/5/2018~~

DEED RESTRICTION

THIS DEED RESTRICTION, made and entered this *22nd* day of *June*
2017

BY AND BETWEEN:

JADE WASHINGTON URBAN RENEWAL, LLC, a New Jersey limited liability company with offices located at 16 Wolfe Run, Long Valley, New Jersey 07054, hereinafter referred to as the "Owner"

AND

BOROUGH OF WASHINGTON, a Municipal Corporation in the County of Warren and State of New Jersey, with offices located at 100 Belvidere Avenue, Washington, New Jersey 07822, hereinafter referred to as the "Municipality" or the "Borough."

WITNESSETH:

WHEREAS, the Owner is the current owner of the tract or parcel of land (the "Property") described on the Borough Tax Map as Block 95, Lots 3 and 4, which have been merged in a single Lot 4; and

WHEREAS, the Owner received preliminary and final site plan approval with variance relief and conditions from the Borough of Washington Planning Board (the "Board") pursuant to a resolution adopted on January 13, 2014, memorializing the Board's action on December 9, 2013 and amended pursuant to a resolution adopted on June 9, 2014, memorializing the Board's action on May 12, 2014 and further amended pursuant to a resolution adopted on September 8, 2014 memorializing the Board's action on August 11, 2014 (collectively, the "Resolutions") for the redevelopment of the Property consisting of demolition of the current structures on the Property and construction of a four story mixed use building of approximately 15,344 square feet with fifty residential rental units; and

WHEREAS, the Owner has agreed to set aside twenty percent (20%) of the proposed fifty residential rental units on the Property (i.e. ten units) and deed restrict such for affordable housing as rental units in exchange for a \$30,000 per unit contribution from the Borough's Affordable Housing Trust Fund; and

WHEREAS, N.J.A.C. 5:93-8.16 provides that "A municipality may use revenues collected from development fees for any activity approved by the Council for addressing the municipal fair share. Such activities include, but are not limited to: rehabilitation, **new construction**, RCAs, ECHO housing, purchase of land for low and moderate income housing, improvement of land to be used for low and moderate income housing, extensions and/or improvements of roads and infrastructure to low and moderate income housing sites, assistance designed to render units to be more affordable and administration of the implementation of the housing element." [emphasis added]; and

NOW, THEREFORE, in consideration of the foregoing, and the agreements and conditions of the Redeveloper's Agreement, Approval and approved Plans, it is mutually agreed by and between parties hereto, as follows:

I. Consideration

In consideration of value received, the Owner hereby agrees to abide by the covenants, terms, and conditions set forth in this Deed Restriction, with respect to the land and improvements described more specifically in Section 2 hereof (the "Property").

II. Description of Property

All of the land and improvements thereon located in the Borough of Washington in the County of Warren, State of New Jersey (the "Property"), described more specifically as Block No. 95, Lots 3 and 4 (which have been merged into a single Lot 4).

III. Affordable Housing Covenants.

The following covenants (the "Covenants") shall run with the land for the period of time (the "Control Period"), until the Municipality elects to release the units from such requirements. Prior to such a municipal election, a restricted unit must remain subject to the requirements of this subchapter for a period of thirty (30) years from the date of recording of this document.

A. Sale and use of the Property is governed by regulations known as the Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, *et seq.* the "Uniform Controls").

B. The restricted units shall be designated as follows, in accordance with the uniform controls: Five (5) rental dwelling units to low-income households, and five (5) rental dwelling units for moderate-income household; and no commitment for any such dwelling unit shall be given or implied, without exception, to any person who has not been certified for that unit in writing by the Municipality or the Administrative Agent hired

by the Owner. So long as any dwelling unit remains within its Control Period, sale of the Property must be expressly subject to these Deed Restrictions. Nothing herein shall prevent the sale of the within described property or any interest therein by the owner, provided that any sale or any interest therein is subject to the restrictions herein set forth. The Owner shall provide reasonable notice in writing to the Borough prior to a sale of the within described property.

C. No improvements may be made to the Property that would affect the bedroom configuration of any of its dwelling units, and any improvements to the Property must be approved in advance and in writing by the Municipality. Notwithstanding said language, the Owner shall not require any additional approval for the improvements already approved by the Borough Planning Board as may be amended from time to time, and pursuant to the Developer's Agreement and all amendments thereto.

D. The Owner shall notify the Municipality and the State of any foreclosure actions filed with respect to the Property within five (5) business days of service upon Owner.

E. The Owner shall notify the Municipality and the State within three (3) business days of the filing of any petition for protection from creditors or reorganization filed by or on behalf of the Owner.

F. So long as this restriction shall remain in effect, the Owner shall be precluded from converting any of the residential units on the premises into condominium units pursuant to the New Jersey Condominium Act.

IV. Remedies for Breach of Affordable Housing Covenants.

A breach of the Covenants will cause irreparable harm to the Municipality, to the State and to the public, in light of the public policies set forth in the New Jersey Fair Housing Act, the Uniform Housing Affordability Control rules found at N.J.A.C. 5:80-26, and the obligation for the provision of low and moderate-income housing.

A. In the event of a threatened breach of any of the Covenants by the Owner, or any successor in interest of the Property, the Municipality and the State shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.

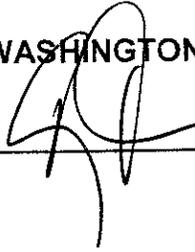
B. Upon the occurrence of a breach of any Covenants by the Grantee, or any successor in interest or other owner of the Property, the Municipality shall have all remedies provided at law or equity including but not limited to recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, entry on the premises, those provided under Title 5, Chapter 80, Subchapter 26 of the New Jersey Administrative Code and specific performance.

[SIGNATURE PAGES FOLLOW]

ATTEST:

JADE WASHINGTON URBAN RENEWAL, LLC

By: _____



STATE OF New Jersey SS:

COUNTY OF Warren

I CERTIFY that on this 21 day of June, 2017,
Ray Rice personally came before me and stated to my satisfaction
that this person

- (a) was the maker of the attached instrument;
- (b) was authorized to and did execute this instrument as
Ray Rice of **JADE WASHINGTON URBAN RENEWAL, LLC**,
the entity named in this instrument; and
- (c) executed this instrument as the act of **JADE WASHINGTON URBAN RENEWAL, LLC**

Witness my hand and seal.

Notary Public Susan Fleming

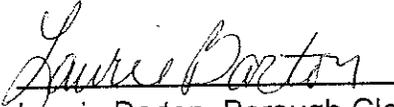
Printed Name: Susan Fleming

SUSAN FLEMING
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 9/5/2018

My Commission Expires: _____

ATTEST:

BOROUGH OF WASHINGTON


Laurie Barton, Borough Clerk

By: 
David Higgins, Mayor

I CERTIFY that on June 22, 2017, Laurie Barton personally came before me and acknowledged under oath, to my satisfaction, that:

- (a) She is the Acting Clerk of the **BOROUGH OF WASHINGTON**, the municipal corporation named in the attached document;
- (b) She is the attesting witness to the signing of this document by the proper municipal officer, who is David Higgins, Mayor of the municipal corporation;
- (c) this document was signed and delivered by the municipal corporation as its duly authorized voluntary act;
- (d) She knows the proper seal of the municipal corporation which was affixed to this document; and

She signs this proof to attest to the truth of these facts.

Witness my hand and seal.

Notary Public 

Printed Name: Susan Fleming

My Commission Expires: **SUSAN FLEMING**
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 9/5/2018

FINANCIAL AGREEMENT

THIS FINANCIAL AGREEMENT (hereinafter this "**Agreement**"), made this 22nd day of _____, 2016, (the "**Effective Date**") by and between

_____ an urban renewal entity qualified to do business under the provisions of the Long Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et seq.*, as amended and supplemented (the "**Long Term Tax Exemption Law**"), with offices located at 16 Wolfe Run, Long Valley, New Jersey 07054,

hereinafter referred to as the "Entity"

AND

BOROUGH OF WASHINGTON, a Municipal Corporation in the County of Warren and State of New Jersey, with offices located at 100 Belvidere Avenue, Washington, New Jersey 07822,

hereinafter referred to as the "Borough."

(the Borough and Entity are collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, the Entity is the contract purchaser of the property commonly known as 95, Lot 4 on the tax map of the Borough; and

WHEREAS, the Property is located within the Washington Avenue Core District of the Borough Redevelopment Plan (the "**Redevelopment Area**"), which has been designated by the Borough as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*, as amended and supplemented (the "**Local Redevelopment and Housing Law**") by adopted resolution by the governing body of the Borough of Washington ("**Borough Council**"); and

WHEREAS, pursuant to *N.J.S.A. 40A:12A-7*, the Borough Council adopted an ordinance approving and adopting a redevelopment plan for the Redevelopment Area ("**Redevelopment Plan**"); and

WHEREAS, the proposed project to be undertaken by the Entity on the Property is the demolition of the current structures on the Property and construction of a four-story mixed use building of approximately 15,344 square feet, including fifty (50) residential rental units (40 to be market rate and 10 to be affordable units) and associated supporting facilities, amenities and parking, consistent with the Redevelopment Plan (the "**Project**"); and

WHEREAS, the Entity has submitted an application to the Borough for the approval of a long-term tax exemption for the Project pursuant to the Long Term Tax Exemption Law, which application is attached hereto as Exhibit B (the "**Application**"); and

WHEREAS, on _____201__, the Borough Council adopted an ordinance, entitled, “_____”, approving the application and authorizing the execution of this Agreement, a copy of which is attached hereto as Exhibit C (the “**Ordinance**”); and

WHEREAS, the Borough has undertaken a policy to encourage redevelopment of underutilized areas within the Borough; and

WHEREAS, the Borough made the following findings with respect to the Project:

A. Relative Benefits of the Project:

i. The Project site is a site which is currently vacant and underutilized. The Project will redevelop the site with a 4-story mixed use project, containing 50 residential units in accordance with the Redevelopment Plan. The Entity will generate significant amounts of new (otherwise unavailable) municipal revenues through the Annual Service Charge and water/sewer fees. In light of the cost of environmental remediation market conditions, economic factors, and development costs impacting this Project, it is not financially feasible to undertake the development of this Project in the absence of the tax exemption. Accordingly, without the incentive the tax exemption, it is unlikely that the Project would be undertaken. Without the Project, the benefits described above would not be realized.

B. Assessment of the importance of the tax exemption in obtaining development of the Project and influencing the locational decisions of probable occupants:

i. The tax exemption permits the development of underutilized property and provides a stream of revenue in the form of the Annual Service Charges. The relative stability and predictability of the Annual Service Charges will allow the owners and, by extension, the occupants, of the Project to stabilize their expenses, which will ensure the likelihood of the success of the Project and ensure that it will have a positive impact on the surrounding area. Further, the relative stability and predictability of the Annual Service Charge makes the Project more attractive to investors and lenders needed to finance the Project. The tax exemption permits the development of the Project in an area that cannot otherwise be developed by reducing the expenses associated with the operation of the Project. Reduced expenses allows for more competitive rents in an otherwise untested market. As a result, the locational decisions of the probable tenants will be influenced positively by the tax exemption.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is mutually covenanted and agreed as follows:

ARTICLE I

GENERAL PROVISIONS

SECTION 1.01 Governing Law.

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, the Local Redevelopment and Housing Law, the Ordinance, and all other Applicable Laws. It is expressly understood and agreed that the Borough expressly relies upon the facts, data, and representations contained in the Application in granting this tax exemption.

SECTION 1.02 General Definitions.

The following terms shall have the meanings assigned to such term in the preambles hereof:

Agreement

Application

Entity

Effective Date

Local Redevelopment and Housing Law

Long Term Tax Exemption Law

Borough Committee

Ordinance

Party/Parties

Planning Board

Project

Property

Redevelopment Agreement

Redevelopment Area

Redevelopment Plan

Borough

Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Agreement shall mean:

Administrative Fee – The annual fee paid to the Borough by the Entity, as set forth in Section 4.06 of the Agreement.

Allowable Net Profit - The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to the provisions of *N.J.S.A. 40A:20-3(b)*.

Allowable Profit Rate - The greater of (a) twelve percent (12%) or (b) the percentage per annum arrived at by adding one and one-quarter percent (1¼%) to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related

party, the Allowable Profit Rate shall be the greater of (x) twelve percent (12%) or (y) the percentage per annum arrived at by adding one and one-quarter percent (1¼%) to the interest rate per annum that the Borough determines to be the prevailing rate of mortgage financing on comparable improvements in the County. The provisions of *N.J.S.A.* 40A:20-3(b) are incorporated herein by reference.

Annual Gross Revenue – Pursuant to *N.J.S.A.* 40A:20-3(a), the annual gross revenue shall be calculated as one hundred percent (100%) of the rental charges generated from the residential units comprising the Project including pet rents, parking rents, floor or view premiums and any other similar charges that may be collected from tenants of the Project; provided, however, that Annual Gross Revenue shall not include application fees, lost key charges, telecommunications charges, utility charges and late fees.

Annual Service Charge - The amount the Entity has agreed to pay the Borough, or its designee, pursuant to Article IV for municipal services supplied to the Project, which sum is in lieu of any taxes on the Land and Improvements, which amount shall be pro-rated in the year in which the Annual Service Charge begins and the year in which the Annual Service Charge terminates.

Annual Service Charge Start Date – The Annual Service Charge Start Date shall be, for each residential building which constitutes a phase of the Project, the date of the issuance of the Certificate of Occupancy for the first residential unit within that building to be constructed in the Project.

Applicable Law – All federal, State and local laws, ordinances, approvals, rules, regulations and requirements applicable thereto including, but not limited to, the Local Redevelopment and Housing Law and the Long Term Tax Exemption Law, as applicable, relevant construction codes including construction codes governing access for persons with disabilities, and such zoning, sanitary, pollution and other environmental safety ordinances, laws and such rules and regulations thereunder, including all applicable environmental laws, and applicable federal and State labor standards.

Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit as provided in *N.J.S.A.* 40A:20-3(c). The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

Certificate of Occupancy - A temporary (if temporary or conditional for the limited reasons of grading, seeding, landscaping and/or surface pavement course) or permanent Certificate of Occupancy, as such term is defined in the New Jersey Administrative Code issued by the Borough authorizing occupancy of a building, in whole or in part, pursuant to *N.J.S.A.* 52:27D-133.

Clerk - The municipal clerk of the Borough.

County – The County of Warren.

County Share – The first five percent (5%) of the Annual Service Charge, which shall be payable to the County in accordance with the provisions of *N.J.S.A. 40A:20-12*.

Default - A breach or the failure of either Party to perform any obligation imposed upon such Party by the terms of this Agreement, or under Applicable Law, beyond any applicable grace or cure periods after written notice of such failure.

Default Notice – As defined in Section 15.02.

Financial Plan – The financial plan prepared pursuant to *N.J.S.A. 40A:20-8(e)* attached to the Application as Exhibit I.

Improvements - Any building, structure or fixture permanently affixed to the Land and to be constructed and exempt under this Agreement.

In Rem Tax Foreclosure - A summary proceeding by which the Borough may enforce the lien for taxes due and owing by a tax sale in accordance with the provisions of the In Rem Tax Foreclosure Act and Tax Sale Law.

In Rem Tax Foreclosure Act – *N.J.S.A. 54:5-104.29 et seq.*, as may be amended or supplemented from time to time.

Land – The real property, but not the Improvements, commonly known as Block 95, Lots 3 and 4 (merged into a single Lot 4) on the tax maps of the Borough, as more particularly described by the metes and bounds description set forth in Exhibit A of this Agreement.

Land Taxes - The amount of taxes assessed on the value of the Land exclusive of the value of any Improvements related thereto, in accordance with Applicable Laws.

Land Tax Payments - Payments made on the quarterly due dates, including approved grace periods, if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

Lease-up Period- For each phase of the project, the 24-month period commencing with the date of substantial completion.

Material Conditions – As defined in Section 4.07.

Mayor - The Mayor of the Borough.

Minimum Annual Service Charge – The total taxes levied against all real property constituting the Project Site in the last full tax year in which the Property was subject to taxation.

Net Profit – The Annual Gross Revenue of the Entity pertaining to the Property, less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles and the provisions of *N.J.S.A. 40A:20-3(c)*, which includes, but is not limited to, an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost over the term of the abatement granted pursuant to this

Agreement as well as all other expenses permitted under the provisions of N.J.S.A. 40A:20-3(c).

Notice of Termination – As defined in Section 15.04.

State – The State of New Jersey.

Tax Assessor – The Borough Tax Assessor.

Tax Collector – The Borough Tax Collector.

Tax Sale Law – N.J.S.A. 54:5-1 *et seq.*, as the same may be amended or supplemented from time to time.

Termination – Expiration of the term of this Agreement in accordance with Section 3.01 or any action or omission which by operation of the terms of this Agreement shall cause the Entity to relinquish or forfeit the tax exemption granted pursuant to this Agreement.

Total Project Cost – The total cost of construction and/or rehabilitation of the Project through the date a Certificate(s) of Occupancy is issued for the entire Project, which categories of cost are as defined in N.J.S.A. 40A:20-3(h). There shall be included in Total Project Cost the actual costs incurred to construct the Improvements which are specifically described in the Application.

SECTION 1.03 Interpretation and Construction.

In this Agreement, unless the context otherwise requires:

A. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before the date of delivery of this Agreement.

B. Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.

C. Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public or governmental bodies, as well as natural persons.

D. Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

E. Unless otherwise indicated, all approvals, consents and acceptances required to be given or made by any person or Party hereunder shall not be unreasonably withheld, conditioned, or delayed.

F. All notices to be given hereunder and responses thereto shall be given, unless a certain number of days is specified, within a reasonable time, which shall not be less than ten (10) days nor more than twenty (20) days, unless the context dictates otherwise.

G. All exhibits referred to in this Agreement and attached hereto are incorporated herein and made part hereof.

SECTION 1.04 Reliance by Borough. It is expressly understood and agreed that the Borough has relied upon the facts and representations contained in the Application in granting the tax exemption described in this Agreement.

{End of Article I}

ARTICLE II
APPROVAL

SECTION 2.01 Approval of Tax Exemption

The Borough does hereby grant its approval for a tax exemption for the Project in accordance with the provisions of the Long Term Tax Exemption Law on the Property. Pursuant to the Ordinance, the Improvements to be constructed and maintained by the Entity shall be exempt from taxation as provided for herein.

SECTION 2.02 Approval of the Entity

Approval is granted to the Entity based on its representation that its Certificate of Formation, attached to the Application as Exhibit A thereto, contains all the requisite provisions of law, has been reviewed and approved by the Commissioner of the Department of Community Affairs, and has been filed with, as appropriate, the Secretary of State, all in accordance with *N.J.S.A. 40A:20-5*.

SECTION 2.03 Improvements to be Constructed

The Entity represents that it will construct or cause the Improvements to be constructed in phases in accordance with the Redevelopment Plan, the approved site plan, and the Redevelopment Agreement.

SECTION 2.04 Construction Schedule

The Entity agrees to diligently undertake to complete construction within 24 months of the issuance of the first building permit subject only to "Force Majeure".

SECTION 2.05 Ownership, Management and Control

The Entity represents that it is currently the owner of the Property or will become same prior to the start of construction. The Entity expressly covenants, warrants and represents that upon completion, the Project, including all Land and Improvements, shall be used, managed and operated for the purposes set forth in the Application and in accordance with the Redevelopment Plan and all Applicable Laws.

SECTION 2.06 Financial Plan

The Entity represents that the Improvements shall be financed substantially in accordance with the representations set forth in the Financial Plan. The Application and Financial Plan, made a part hereof, set forth the estimated Total Project Cost, amortization rate on Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, the terms of any mortgage amortization, and rental schedules and lease terms, as applicable, in accordance with the Long Term Tax Exemption Law.

SECTION 2.07 Affordable Housing

The Entity will be required to provide ten (10) affordable housing rental units within the Project in accordance with the Deed Restriction executed by the Entity in favor of the Borough.

{End of Article II}

ARTICLE III

DURATION OF AGREEMENT

SECTION 3.01 Term

This Agreement is effective on the Effective Date. So long as there is compliance with the Applicable Laws and this Agreement, it is understood and agreed by the Parties that this Agreement, including the obligation to pay Annual Service Charges under Article IV and the tax exemption granted and referred to in Section 2.01, shall remain in effect until the earlier of (i) twelve (12) years from the date of the Effective Date or (ii) for ten (10) years from the Annual Service Charge Start Date for the Project as that term is defined herein. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Project is owned by a corporation, association or other entity formed and operating under the Long Term Tax Exemption Law. Upon Termination, the tax exemption for the Project shall expire and the Land and Improvements shall thereafter be assessed and taxed according to the general laws applicable to other non-exempt property in the Borough. Upon Termination all restrictions and limitations upon the Entity shall terminate upon the Entity's rendering and the Borough's acceptance of its final accounting, pursuant to *N.J.S.A. 40A:20-12*. Notwithstanding the above, if the Entity fails to commence construction within the timeframe set forth in Section 2.04, above, then the Borough may terminate the Agreement upon ten (10) days prior written notice to the Entity.

SECTION 3.02 Date of Termination

Upon any Termination of the tax exemption, as described in Section 3.01, the date of such Termination shall be deemed to be the last day of the fiscal year of the Entity.

SECTION 3.03 Voluntary Termination by Entity

The Entity may at any time after the expiration of one year from the completion of the Project notify the Borough that as of a certain date designated in the notice, it relinquishes its status under the Long Term Tax Exemption Law and that the Entity has obtained the consent of the Commissioner of the Department of Community Affairs. Upon Termination of the Agreement, all restrictions and limitations upon the Entity shall terminate upon the Entity's rendering and the Borough's acceptance of its final accounting, pursuant to *N.J.S.A. 40A:20-12*.

{End of Article III}

ARTICLE IV

ANNUAL SERVICE CHARGE

SECTION 4.01 Annual Service Charge Consent

The Entity hereby consents and agrees to the amount of Annual Service Charge and to the liens described in this Agreement, and the Entity shall not contest the validity or amount of any such lawfully imposed lien. Notwithstanding anything herein to the contrary, the Entity's obligation to pay the Annual Service Charge shall be absolute and unconditional and shall not be subject to any defense, set-off, recoupment or counterclaim under any circumstances, including without limitation any loss of the status of the Entity as an urban renewal entity qualified under and as defined in the Long Term Tax Exemption Law, or any violation by the Borough of any provisions of this Agreement. The Entity's remedies shall be limited to those specifically set forth herein and otherwise provided by Applicable Law.

SECTION 4.02 Payment of Annual Service Charge

A. In consideration of the tax exemption, the Entity shall make payment of the Annual Service Charge commencing on the Annual Service Charge Start Date.

B. Payment of the Annual Service Charge shall be made to the Borough on a quarterly basis on February 1, May 1, August 1, and November 1 after the Annual Service Charge Start Date in accordance with the Borough's tax collection schedule, subject, nevertheless, to adjustment for over or underpayment within ninety (90) days after the close of each calendar year. The obligation to pay the Annual Service Charge shall continue until the Termination of the Agreement.

C. In the event that the Entity fails to timely pay the Annual Service Charge or any installment thereof, the amount past due shall bear interest at the rate of 10% per year until paid.

D. In accordance with the Long Term Tax Exemption Law, specifically *N.J.S.A. 40A:20-12*, in the event of any change in the tax-exemption status as provided herein during any tax year, including but not limited to any Termination, the procedure for the apportionment of any taxes and/or Annual Service Charge, as the case may be, shall be the same as in the case of other changes in tax exemption status to any other property located within the Borough during the tax year, in accordance with Applicable Law.

SECTION 4.03 Annual Service Charge Amount

Pursuant to *N.J.S.A. 40A:20-12*, the Annual Service Charge shall be an amount equal to the greater of: (a) (i) 11% of Annual Gross Revenues for the first two years after the Annual Service Charge Start Date provided, however in no event shall the Annual Service Charge be less than \$ _____; (ii) 12% of Annual Gross Revenues for years 3-4 after the Annual Service Charge Start Date but in no event less than \$ _____; (iii) 13% of Annual Gross Revenues for the years 5-6 after the Annual Service Charge Start Date but in no event less than \$ _____; (iv) 14% of Annual Gross Revenues for the years 7-8 after the Annual Service

Charge Start Date but in no event less than \$ _____; (v) 15% of Annual Gross Revenues for the years 9-10 after the Annual Service Charge Start Date but in no event less than \$ _____; or (b) the Minimum Annual Service Charge. Subject to the Minimum Annual Service Charge, during the Lease-up Period, the Annual Service Charge for that phase shall be billed based on the Entity's actual Annual Gross Revenue for that period.

Notwithstanding the provisions of the Long Term Tax Exemption Law or any provision of the Agreement to the contrary, including Section 4.04 herein, the Annual Service Charge shall never be reduced below the Minimum Annual Service Charge through any tax appeal on the Land and/or Improvements or any other legal proceeding regarding the Project during the period that this Agreement is in force and effect.

SECTION 4.04 Land Taxes and Credits

A. For each year during the term of this Agreement, the Land Tax payments shall be applied as a credit against the Annual Service Charge. In any year that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any land tax credits against the Annual Service Charge for such tax year, subject to a right to cure any such delinquency prior to the end of the applicable tax year. The Entity is required to make payment of both the Annual Service Charge and the Land Tax Payments, if applicable. The Entity is required to pay the full Land Tax Payments in any given year, and no credits will be applied against the Annual Service Charge for partial payment of the Land Taxes, where delinquency extends beyond the cure period. The Entity's failure to make the requisite Annual Service Charge payment and/or the requisite Land Tax Payment in a timely manner shall constitute a violation and breach of this Agreement. The Borough shall, among its other remedies, have the right to proceed against the Property pursuant to the Tax Sale Law and/or may declare a Default under this Agreement upon sixty (60) days written notice to the Entity.

SECTION 4.05 Schedule of Staged Adjustments to Annual Service Charge

Pursuant to *N.J.S.A.* 40A:20-12(b), the Annual Service Charge shall be adjusted as follows:

A. Stage One. Commencing on the Annual Service Charge Start Date through the 2nd year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 of the Agreement.

B. Stage Two. From the 3rd year through the 4th year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 20% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

C. Stage Three. From the 5th year through the 6th year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 40% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

D. Stage Four. From the 7th year through the 8th year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 60% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

E. Stage Five. For the 9th and 10th years of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 80% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

If there is any dispute as to the amount of taxes which would otherwise be due on the land and improvements under any of the stages as set forth above, said issue shall be resolved by filing a Complaint with the Warren County Tax Board and/or New Jersey Tax Court.

SECTION 4.06 Administrative Fee

The Entity shall pay annually an administrative fee to the Borough in addition to the Annual Service Charge. The Administrative Fee shall be computed as two percent (2%) of the Annual Service Charge required pursuant to Section 4.03. This fee shall be payable and due on or before February 1st of each year for the Administrative Fee accrued in the prior calendar year, and collected in the same manner as the Annual Service Charge. In the event the Entity fails to pay the Administrative Fee when due and owing, the amount unpaid shall bear the highest rate of interest permitted under applicable New Jersey law in the case of unpaid taxes or tax liens until paid.

SECTION 4.07 Material Conditions

It is expressly agreed and understood that all payments of Annual Service Charges and any interest payments, penalties or costs of collection due thereon, Land Taxes and the Administrative Fee are material conditions of this Agreement (the "**Material Conditions**"). If any other term, covenant or condition of this Agreement, as to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by Applicable Law.

SECTION 4.08 No Reduction in Payment of the Annual Service Charge

Neither the amounts nor dates established for payment of the Annual Service Charge, as provided in Sections 4.02 and 4.03 hereof shall be reduced, amended or otherwise modified during the term of this Agreement.

SECTION 4.09 Annual Service Charges as Municipal Lien

In accordance with the provisions of the Long Term Tax Exemption Law, the Annual Service Charge shall be a continuous municipal lien on the Property and the Improvements.

SECTION 4.10 Security for Payment of Annual Service Charges

In order to secure the full and timely payment of the Annual Service Charges, the Borough on its own behalf reserves the right to prosecute an In Rem Tax Foreclosure action against the Property, as more fully set forth in this Agreement.

SECTION 4.11 County Portion Paid to the County

In accordance with the provisions of *N.J.S.A.* 40A:20-12, upon the payment of the Annual Service Charge, the Borough shall remit the County Share to the County.

{End of Article IV}

ARTICLE V

REMEDIES

SECTION 5.01 Dispute Resolution

Pursuant to N.J.S.A. 40A:20-9(f), any resolution of a dispute must be pursuant to an arbitration proceeding.

SECTION 5.02 Remedies

In the event of a Default on the part of the Entity to pay any installment of the Annual Service Charge required by Article IV, the Borough in addition to its other remedies, reserves the right to proceed against the Project, in the manner provided by Applicable Law, including the Tax Sale Law and the In Rem Tax Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word "Taxes" appears, or is applied, directly or implied, to mean real estate taxes or municipal liens on land, such statutory provisions shall be read, as far as it is pertinent to this Agreement, as if the Annual Service Charges were taxes or municipal liens on land. In either case, however, the Entity does not waive any defense it may have to contest the rights of the Borough to proceed in the above-mentioned manner.

{End of Article V}

ARTICLE VI

CERTIFICATE OF OCCUPANCY

SECTION 6.01 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a reasonably timely manner.

SECTION 6.02 Filing of Certificate of Occupancy

It shall be the responsibility of the Entity to promptly file with both the Tax Assessor and the Tax Collector a copy of any Certificate of Occupancy issued for the Project.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph shall not militate against any action or non-action, taken by the Borough, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

{End of Article VI}

ARTICLE VII

ANNUAL AUDITS

SECTION 7.01 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles and as otherwise prescribed by Applicable Law.

SECTION 7.02 Periodic Reports

A. Auditor's Report: Within one hundred twenty (120) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis, for the duration of this Agreement, the Entity shall submit to the Mayor, Borough Council, the Tax Collector and the Borough Clerk, who shall advise those municipal officials required to be advised, and the Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year pursuant to *N.J.S.A. 40A:20-3(c)*. The Report shall clearly identify and calculate all items comprising the Annual Gross Revenue and the Net Profit for the Entity during the previous year. The Entity assumes all costs associated with preparation of the periodic reports.

B. Total Project Cost Audit: Within ninety (90) days after the final Certificate of Occupancy is issued for the Project, the Entity shall, unless this Agreement is terminated, submit to the Mayor, Borough Council, the Tax Collector and the Borough Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, certified as to actual construction costs by the Entity's architect.

C. Disclosure Statement: On each anniversary date of the execution of this Agreement, if there has been a change in ownership or interest from the prior year's filing, the Entity shall submit to the Mayor, Borough Council, the Tax Collector and the Borough Clerk, who shall advise those municipal officials required to be advised, a disclosure statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the Borough may request from time to time.

SECTION 7.03 Inspection

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, by representatives duly authorized by the Borough and Division of Local Government Services in the Department of Community Affairs pursuant to *N.J.S.A. 40A:20-9(e)*. The Entity shall also permit, upon written request, examination and audit of its books, contracts, records, documents and papers relating to the Project by representatives duly authorized by the Borough and Division of Local Government Services in the Department of Community Affairs pursuant to *N.J.S.A. 40A:20-9(e)*. Such inspection shall be made upon ten (10) days' written notice during the Entity's regular business hours, in the presence of an officer or agent designated by the Entity. To the extent

reasonably possible, the inspection will not materially interfere with construction or operation of the Project.

SECTION 7.04 Limitation on Profits and Reserves

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation on its profits and dividends pursuant to the provisions of *N.J.S.A. 40A:20-15*. Pursuant to *N.J.S.A. 40A:20-3(b)* and *(c)*, this calculation shall be completed in accordance with generally accepted accounting principles.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount up to ten percent (10%) of the Annual Gross Revenues of the Entity for the last full fiscal year preceding the year and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in *N.J.S.A. 40A:20-15*. The reserve shall be noncumulative.

There is expressly excluded from calculation of **Annual Gross Revenue** and from **Net Profit** as set forth in *N.J.S.A. 40A:20-3* for the purpose of determining compliance with *N.J.S.A. 40A:20-15* or *N.J.S.A. 40A:20-16*, any gain realized by the Entity on the sale of all or a portion of the Project, whether or not taxable under Applicable Law.

SECTION 7.05 Payment of Dividend and Excess Profit Charge

In the event the Net Profits of the Entity in any fiscal year shall exceed the Allowable Net Profits for such period, then the Entity, within ninety (90) days after the end of such fiscal year, shall pay such excess Net Profits to the Borough as an additional service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned Section 7.04. The calculation of Net Profit and Allowable Net Profit shall be made in the manner required pursuant to *N.J.S.A. 40A:20-3(c)* and *40A:20-15*.

The Parties agree that any excess Net Profit will be paid to the Borough as additional Annual Service Charge.

{End of Article VII}

ARTICLE VIII

ASSIGNMENT AND/OR ASSUMPTION

SECTION 8.01 Approval of Sale of Project to Entity Formed and Eligible to Operate Under Applicable Law

The Entity shall not voluntarily transfer more than ten percent (10%) of the Project, until it has removed itself and the Project from all restrictions under this Agreement. The Entity shall, however, be permitted to transfer all or any portion of the Project to another urban renewal entity approved by the Borough as follows:

A. As permitted by *N.J.S.A. 40A:20-10(a)*, it is understood and agreed that the Borough, on written application by the Entity after completion of the Project, may consent to a sale of the Project and the transfer of this Agreement provided: (i) the transferee entity does not own or lease any other Project subject to long term tax exemption at the time of transfer; (ii) the transferee entity is formed and eligible to operate under the Long Term Tax Exemption Law; (iii) the Entity is not then in Default of this Agreement or the Long Term Tax Exemption Law; (iv) the Entity's obligations under this Agreement are fully assumed by the transferee entity; and (v) the transferee entity agrees to abide by all terms and conditions of this Agreement including, without limitation, the filing of an application pursuant to *N.J.S.A. 40A:20-8*, and any other terms and conditions of the Borough in regard to the Project. In the event that the transfer contemplated in this Section 8.01(A) is for less than the whole of the Project, the Annual Service Charge to be paid each by the Entity and the transferee entity after the transfer shall be pro-rated based on the land area being transferred compared to the total land area for the Project.

B. Nothing contained herein shall prohibit any transfer of any ownership interest in the Entity of ten percent (10%) or less, provided that any such transfer shall be disclosed to the Borough Council in the next Auditor's Report or in correspondence sent to the Borough Clerk in advance of the next Auditor's Report.

C. If the Entity transfers the Project to another urban renewal entity, and the transferee entity has assumed all of the Entity's contractual obligations under this Agreement, then, pursuant to *N.J.S.A. 40A:20-6*, the Entity shall be discharged from any further obligation under this Agreement and shall be qualified to undertake another project pursuant to the Long Term Tax Exemption Law. The date of transfer of title of the Project to a purchasing entity shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after that date of the transfer of title, the Entity shall pay to the Borough the amount of reserve, if any, maintained by it, as well as the excess Net Profit, if any, pursuant to *N.J.S.A. 40A:20-15*.

SECTION 8.02 Severability

It is an express condition of the granting of this tax exemption that during its duration, the Entity shall not, without the prior consent of the Borough Council by ordinance, convey, mortgage or transfer, all or part of the Project so as to sever, disconnect, or divide the

Improvements from the Land which are basic to, embraced in, or underlying the exempt Improvements.

SECTION 8.03 Subordination of Fee Title

It is expressly understood and agreed that the Entity has the right, subordinate to the lien of the Annual Service Charges, and to the rights of the Borough hereunder to encumber and/or lease the Land and/or Improvements, and that any such encumbrance or assignment shall not be deemed to be a violation of this Agreement.

{End of Article VIII}

ARTICLE IX

BOROUGH DETERMINATIONS AND OBLIGATIONS

SECTION 9.01 Relative Benefits

In accordance with the Long Term Tax Exemption Law, specifically *N.J.S.A. 40A:20-11(a)*, the Borough hereby finds and determines that this Agreement is to the direct benefit of the health, safety, welfare and financial well-being of the Borough and its citizens despite the tax exemption granted hereunder. The Project site is vacant and underutilized. The Project will redevelop the site with a 50-unit residential rental project in accordance with the Redevelopment Plan. The Project will create approximately ___ construction jobs and ___ permanent jobs. The Project will generate significant amounts of new (otherwise unavailable) municipal revenues through the Annual Service Charge and water/sewer fees. In light of the substantial cost of remediating environmental conditions, market conditions, economic factors and development costs impacting this Project, it is not financially feasible to undertake the development of this Project in the absence of the tax exemption. Accordingly, without the incentive the tax exemption, it is unlikely that the Project would be undertaken. Without the Project, the benefits described above would not be realized.

SECTION 9.02 Importance of Tax Exemption

In accordance with the Long Term Tax Exemption Law, specifically *N.J.S.A. 40A:20-11(b)*, the Borough hereby finds and determines that it has reviewed the Application and accompanying financial information and it has determined that this Agreement is a critical incentive for the Entity to undertake the Project in the Borough due to the extraordinary costs associated with the development of the Property. The tax exemption permits the development of underutilized property and provides a stream of revenue in the form of the Annual Service Charges. The relative stability and predictability of the Annual Service Charges will allow the owners and, by extension, the occupants, of the Project to stabilize their expenses, which will ensure the likelihood of the success of the Project and ensure that it will have a positive impact on the surrounding area. Further, the relative stability and predictability of the Annual Service Charge makes the Project more attractive to investors and lenders needed to finance the Project. The tax exemption permits the development of the Project in an area that cannot otherwise be developed by reducing the expenses associated with the operation of the Project. Reduced expenses allows for more competitive rents in an otherwise untested market. As a result, the locational decisions of the probable tenants will be influenced positively by the tax exemption.

{End of Article IX}

ARTICLE X

WAIVER

SECTION 10.01 Waiver

Nothing contained in this Agreement or otherwise shall constitute a waiver or relinquishment by the Borough or the Entity of any rights and remedies provided by the Applicable Law except for the express waiver herein of certain rights of acceleration and certain rights to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery that the Borough or the Entity has under law, in equity, or under any provision of this Agreement.

{End of Article X}

ARTICLE XI

NOTICE

SECTION 11.01 Notice

Any notice required hereunder to be sent by any Party to another Party shall be sent to all other Parties hereto simultaneously by certified or registered mail, return receipt requested or by commercial overnight delivery service with package tracking capabilities and for which proof of delivery is available, as follows:

A. When sent to the Entity it shall be addressed as follows:

with copies to:

B. When sent to the Borough, it shall be addressed as follows:

Borough Clerk
100 Belvidere Avenue
Washington, New Jersey 07822

with copies to:

The notice to the Borough shall identify the subject with the tax account numbers of the tax parcels comprising the Property.

{End of Article XI}

ARTICLE XII

COMPLIANCE

SECTION 12.01 Statutes and Ordinances

The Entity hereby agrees at all times prior to the expiration or Termination of this Agreement to remain bound by the provisions of Applicable Law and any lawful ordinances and resolutions of the Borough, including, but not limited to, the Long Term Tax Exemption Law. The Entity's failure to comply with such statutes or ordinances shall constitute a violation and breach of the Agreement.

{End of Article XII}

ARTICLE XIII

CONSTRUCTION

SECTION 13.01 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid or any presumption or other rule requiring construction against the Party drawing or causing this Agreement to be drawn, since counsel for both the Entity and the Borough have combined in their review and approval of same.

{End of Article XIII}

ARTICLE XIV

INDEMNIFICATION

SECTION 14.01 Indemnification

It is understood and agreed that in the event the Borough shall be named as a party defendant in any action respecting the Property brought against the Borough or the Entity by allegation of any breach, Default or a violation of any of the provisions of this Agreement and/or the provisions of the Long Term Tax Exemption Law or any other Applicable Law, the Entity shall indemnify and hold the Borough harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) of every kind, character and nature arising out of or resulting from the action or inaction of the Entity and/or by reason of any breach, Default or a violation of any of the provisions of this Agreement, the provisions of *N.J.S.A. 40A:20-1 et seq.*, and/or any other Applicable Law except for any misconduct by the Borough or any of its officers, officials, employees or agents, and the Entity shall defend the suit at its own expense. However, the Borough maintains the right to intervene as a party thereto, to which intervention the Entity hereby consents, the expense thereof to be borne by the Entity.

{End of Article XIV}

ARTICLE XV

DEFAULT

SECTION 15.01 Default

Default shall be failure of either Party to conform to the terms of this Agreement and/or perform any obligation imposed by statute, ordinance or lawful regulation beyond any applicable notice, cure or grace period.

SECTION 15.02 Cure Upon Default

Should a Party be in Default of any obligation under this Agreement, the non-defaulting Party shall notify the defaulting Party and any mortgagee, if applicable, of the Entity in writing of said Default (the “**Default Notice**”). Said Default Notice shall set forth with particularity the basis of said Default. Except as otherwise limited by law, the defaulting Party shall have sixty (60) days to cure any Default (other than a Default in payment of any installment of the Annual Service Charge which default must be cured within ten (10) days from the date of its receipt of the Default Notice) provided such cure can reasonably be effected within such sixty (60) day period in which case Entity shall have such additional time to cure as reasonably necessary to effect same. In the event of any uncured Default by the Entity, the Borough shall have the right to proceed against the Property pursuant to Applicable Law. Upon any Default in payment of any installment of the Annual Service Charge, the Borough shall have the right to proceed with an In Rem Tax Foreclosure consistent with the provisions and procedures of the In Rem Tax Foreclosure Act.

SECTION 15.03 Remedies Upon Default Cumulative; No Waiver

Subject to the other terms and conditions of this Agreement, all of the remedies provided in this Agreement to the Borough, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent and no determination of the invalidity of any provision of this Agreement shall deprive the Borough of any of its remedies or actions against the Entity because of Entity's failure to pay Land Taxes, the Annual Service Charge, and/or the Administrative Fee and interest payments. This right shall only apply to arrearages that are due and owing at the time, and the bringing of any action for Land Taxes, Annual Service Charges, Administrative Fee or other charges, or for breach of covenant. The resort of any other remedy herein provided for the recovery of Land Taxes, Annual Service Charges, Administrative Fee or other charges shall not be construed as a waiver of the right to proceed with an In Rem Tax Foreclosure action consistent with the terms and provisions of this Agreement.

SECTION 15.04 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy any Default within the time period provided in Section 15.02, the Borough has the right to terminate this Agreement upon thirty (30) days written notice to the Entity (the “**Notice of Termination**”).

SECTION 15.05 Final Accounting

Within ninety (90) days after the date of Termination, the Entity shall provide a final accounting and pay to the Borough the reserve, if any, pursuant to the provisions of *N.J.S.A.* 40A:20-13 and 15 as well as any excess Net Profits. For purposes of rendering a final accounting the Termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

SECTION 15.06 Conventional Taxes

Upon Termination or expiration of this Agreement, the tax exemption for the Project shall expire and the Land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the Borough.

{End of Article XV}

ARTICLE XVI

MISCELLANEOUS

SECTION 16.01 Conflict

The Parties agree that in the event of a conflict between the Application and this Agreement, the language in this Agreement shall govern and prevail.

SECTION 16.02 Oral Representations

There have been no oral representations made by either of the Parties hereto which are not contained in this Agreement. This Agreement, the Ordinance of the Borough authorizing this Agreement, and the Application constitute the entire agreement between the Parties and there shall be no modifications thereto other than by a written instrument executed by the Parties hereto and delivered to each of them.

SECTION 16.03 Entire Document

All conditions in the Ordinance of the Borough Committee approving this Agreement are incorporated in this Agreement and made a part hereof. This Agreement, the Ordinance and the Application constitute the entire agreement between the Parties and there shall be no modifications thereto other than by a written instrument executed by the Parties hereto and delivered to each of them.

SECTION 16.04 Good Faith

In their dealings with each other, the Parties agree that they shall act in good faith.

SECTION 16.05 Recording

This entire Agreement will be filed and recorded with the Warren County Clerk by the Entity at the Entity's expense.

SECTION 16.06 Municipal Services

The Entity shall make payments for municipal services, including water and sewer charges and any services that create a lien on a parity with or superior to the lien for Land Taxes, if applicable, and Annual Service Charges, as required by law. Nothing herein is intended to release Entity from its obligation to make such payments.

SECTION 16.07 Annual Service Charge Paid to County

Pursuant to *N.J.S.A. 40A:20-12*, the Borough shall remit five percent (5%) of the Annual Service Charge to Warren County.

SECTION 16.08 Financing Matters

The financial information required by the final paragraph of *N.J.S.A.* 40A:20-9 is set forth in the Application, which Application is incorporated herein by reference. The parties acknowledge that this Project will be financed by a first mortgage from the First Bank of Hope in the principal amount of \$4,365,000. During the period of this Agreement, the Entity shall have the right to refinance the Property without approval from the Borough, provided that any refinancing does not exceed the principal amount of the original financing of \$4,365,000. The Entity, however, will provide reasonable notice in writing to the Borough of any refinancing.

SECTION 16.09 Counterparts

This Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16.10 Amendments

This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Parties hereto.

SECTION 16.11 Certification

The Clerk shall certify to the Tax Assessor, pursuant to *N.J.S.A.* 40A:20-12, that an agreement with an urban renewal entity, i.e., the Entity, for the development of the Redevelopment Area, has been entered into and is in effect as required by *N.J.S.A.* 40A:20-1, *et seq.* Delivery by the Clerk to the Tax Assessor of a certified copy of the Ordinance adopted by the Borough Council approving the tax exemption described herein and this Agreement shall constitute the required certification. Upon certification as required hereunder, the Tax Assessor shall implement the exemption and continue to enforce that exemption without further certification by the Clerk until the expiration of the entitlement to exemption by the terms of this Agreement or until the Tax Assessor has been duly notified by the Clerk that the exemption has been terminated.

Further, upon the adoption of this Agreement, a certified copy of the Ordinance adopted by the Borough Council approving the tax exemption described herein and this Agreement shall forthwith be transmitted to the Director of the Division of Local Government Services by the Clerk.

SECTION 16.12 Severability

If any one or more of the covenants, agreements or provisions herein contained shall be held to be illegal or invalid in a final proceeding, then any such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof.

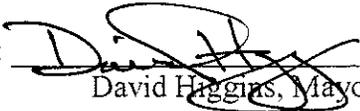
SECTION 16.13 Effect of Amendment and Restatement

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

{End of Article XVI}

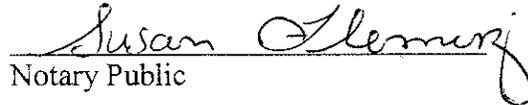
[SIGNATURE PAGES FOLLOW]

BOROUGH OF WASHINGTON

By:  _____
David Higgins, Mayor

STATE OF NEW JERSEY :
: ss
COUNTY OF Warren :

The foregoing instrument was acknowledged before me this 22 day of June, 2017, by David Higgins, The Mayor of the BOROUGH OF WASHINGTON, a municipal corporation of the County of Warren and State of New Jersey, on behalf of the Borough.


Notary Public

SUSAN FLEMING
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 9/5/2018

LIST OF EXHIBITS

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

- Exhibit A. Property Description
- Exhibit B. Exemption Application with Exhibits
- Exhibit C. Ordinance

EXHIBIT A
PROPERTY DESCRIPTION

EXHIBIT B

EXEMPTION APPLICATION WITH EXHIBITS

EXHIBIT C
ORDINANCE

81

4-3

RESOLUTION # 127-2016

RESOLUTION AUTHORIZING THE BOROUGH OF WASHINGTON TO EXECUTE AN AMENDMENT TO THE REDEVELOPER AGREEMENT

WHEREAS, pursuant to the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.), the Borough of Washington acting by resolution, determined that the Washington Avenue Core District was an "area in need of redevelopment" in accordance with N.J.S.A. 40A:12A-6(b); and

WHEREAS, in furtherance of same, the Borough of Washington and Jade Partners LLC ("Jade") entered into a certain Redevelopment Agreement dated _____, 2014; and

WHEREAS, the Redevelopment Agreement authorized Jade to redevelop Block 95, Lots 3 & 4 on New Jersey Route 57 also known as West Washington Avenue, in accordance with the terms thereof; and

WHEREAS, the Borough and Jade have since determined that it would be in the best interest of all parties to amend the existing Agreement in order for the parties to enter into an agreement pursuant to the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1; and

WHEREAS, Jade has also negotiated a contract for the purchase of surplus land owned by the Borough and designated as Block 95, Lot 31 ("Property"); and

WHEREAS, the Borough passed Ordinance # 5-2013, which authorized the sale of the Property to Jade and provided that the specific terms of the sale would be set forth in a resolution authorizing the sale; and

WHEREAS, Borough Resolution # 198-2013 further specified the terms and authorized the sale of said Property; and

WHEREAS, the Borough of Washington now wishes to amend the existing Redeveloper Agreement to reflect the new agreement pursuant to the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1; and

WHEREAS, because title to the aforementioned Property did not close as of the date of this Resolution, the Borough has determined that the Amendment set forth below shall be subject to the closing of title on the Property within sixty (60) days of the passage of this Resolution.

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Washington, in the County of Warren, New Jersey, as follows:

I. AMENDMENT

If within sixty (60) days of the passing of the instant Resolution, the closing on the aforementioned Property occurs, Paragraph 25 of the Redeveloper Agreement shall be deleted in its entirety and replaced with following:

Tax Abatements. The Borough acknowledges and agrees that the Redeveloper will be submitting a Governmental Application to the Borough under the Long Term Tax Exemption Law for approval of an agreement for payment in lieu of taxes, (hereinafter referred to as a "Financial Agreement"). The

Redeveloper and the Borough recognize that the Financial Agreement will benefit the Redeveloper, the Borough, and the potential residents and/or tenants of the Project. If proposed by the Redeveloper, the Borough may consider and approve such application and adopt the required ordinance within sixty (60) days of the date the Redeveloper files the application with the Borough. The proposed terms of the Financial Agreement are set forth in Exhibit "___" attached hereto. The Financial Agreement shall be subject to the receipt of all Governmental Approvals required by the Applicable Laws. If Redeveloper defaults under this Agreement or fails to obtain all Governmental Approvals within the specified time period or Commence Construction within the specified time period, the Borough is not obligated to enter into the Financial Agreement or may void such Agreement if already executed.

II. EXECUTION

(a) The Mayor is hereby authorized to execute an amendment to the Original Redevelopment Agreement, a form of which is attached hereto as Exhibit B (the "Amendment"), together with such additions, deletions and modifications as are necessary and desirable in consultation with counsel to effectuate the same.

(b) The Borough Clerk hereby authorized and directed, upon execution of the Amendment in accordance with the terms of Section II(a) hereof, to attest to the signature of the Mayor upon such document and is hereby further authorized and directed to affix the corporate seal of the Borough upon such document.

III. SEVERABILITY

If any part of this Resolution shall be deemed invalid, such parts shall be severed and the invalidity thereby shall not affect the remaining parts of this Resolution.

IV. AVAILABILITY OF THE RESOLUTION

A copy of this resolution shall be available for public inspection at the offices of the Borough

V. EFFECTIVE DATE

This Resolution shall take effect upon final passage.

BOROUGH OF WASHINGTON

By _____

Scott McDonald, Mayor

ATTEST:

Jasmine Lin, R.M.C.

Dated:

The above Resolution was moved by _____, seconded by
_____, voted and carried this _____ day of _____ 2016

Roll Call: Ayes:
Nays:
Abstentions:

Ann Kilduff, R.M.C.
Borough Clerk

CONTRACT FOR SALE OF REAL ESTATE

This Contract for Sale is made on Dec 19th, 2013

BETWEEN THE BOROUGH OF WASHINGTON, IN THE COUNTY OF WARREN, a municipal corporation of the State of New Jersey, having a mailing address at 100 Belvidere Ave., Washington, New Jersey 07882,

referred to as the Seller,

AND JADE PARTNERS WASHINGTON, LLC, having a mailing address of 16 Wolfe Run Court, Long Valley, NJ 07853

referred to as the Buyer.

The words "Buyer" and "Seller" include all Buyers and Sellers listed above.

1. **Purchase Agreement:** The Seller agrees to sell and the Buyer agrees to buy the property described in this contract (the "Property").
2. **Property:** The Property consists of: (a) the land; (b) all buildings, other improvements and fixtures on the land, if any; (c) all of the Seller's rights relating to the land. The real property to be sold is known by the street address of 12 South Lincoln Avenue in the Borough of Washington, County of Warren, State of New Jersey, and is shown as Lot 31 in Block 95 on the Tax Map of the Borough of Washington, Warren County. The property is also described on Schedule A attached hereto.
3. **Purchase Price:** The purchase price is: \$95,000.00
4. **Payment of Purchase Price:** The Buyer will pay the purchase price as follows:
 - Deposit paid upon execution of Contract: \$9,500.00 (10% of the purchase price)
 - Balance to be paid at closing of title, in cash or by certified or bank cashier's check (subject to adjustment at closing in accordance with this Contract.): \$85,500.00
5. **Deposit Moneys:** All deposit moneys will be held in a non-interest-bearing attorneys' trust account by the Seller's attorneys, Gebhardt & Kiefer, P.C. (the "Escrow Agent"), and will be paid in accordance with the following: (a) in the event that the transaction contemplated herein is closed in accordance with the provisions hereof, all deposit monies shall be paid to the Seller; (b) in the event that the Buyer shall default in the performance of its obligation hereunder, all deposit monies shall be paid to the Seller upon written demand therefor by the Seller stating the nature and particulars of the default; (c) in the event that the Seller shall default in the

performance of its obligation hereunder, all deposit monies shall be paid to the Buyer upon written demand therefor by the Buyer stating the nature and particulars of the default, upon three (3) days' prior written notice to the Seller, unless in the event that subsequent to the default, the Seller shall cure such default and close in accordance with the terms hereof, in which case the deposit monies shall be paid to the Seller as a part of the Purchase Price; and (d) in the event that the parties shall agree in writing to terminate this Contract, the deposit monies shall be paid to whichever party is specified in such writing. In the event that a dispute shall arise with regard to the deposit monies, the Escrow Agent shall have the right to deliver the deposit monies to the Superior Court of Warren County to be held by such Court until the dispute is resolved, and upon such delivery, the Escrow Agent shall be relieved of all further obligations to either party with respect to such deposit monies. In addition, the Buyer acknowledges that the Escrow Agent is the Seller's attorney and waives any right to object to the continued representation by the Escrow Agent of the Seller in any action or proceeding involving the deposit monies or this transaction.

6. Time and Place of Closing: The closing date shall be on or before January 13, 2014, (the "Closing Date"). The closing will be held at the offices of Seller on such date between the hours of 10:00 a.m. and 4:00 p.m. If the closing does not occur on or before the Closing Date, the Seller shall have the option to cancel this Contract unilaterally by delivering written cancellation notice to the Buyer and retaining the deposit monies as liquidated damages in addition to all rights the Seller shall have at law and in equity.

7. Transfer of Ownership: At the closing, the Seller will transfer ownership of the Property to the Buyer. The Seller will give the Buyer a properly executed deed, an adequate affidavit of title, an Affidavit of Consideration, a Seller's Residency Certification, and a certified Resolution of the governing body of the Borough pertaining to the sale contemplated under this Contract.

8. Type of Deed: A deed is a written document used to transfer ownership of property. In this sale, the Seller agrees to provide and the Buyer agrees to accept a deed known as a Bargain and Sale Deed with covenants against grantors acts.

9. Physical Condition of the Property: This Property is being sold "as is". The Seller does not make any claims or promises about the condition or value of any of the Property, including, but not limited to, environmental matters, suitability for construction of structures or residences thereon, compliance with zoning codes, compliance with construction codes, viability of the issuance of a building permit with regard thereto, or the financing requirements of the Buyer. The Seller makes no representations as to the Property's precise acreage, subject to Paragraph 11 hereof.

10. Adjustments at Closing. The Buyer and Seller agree to adjust the following expenses as of the closing date: real estate taxes and any municipal assessments. The Buyer or the Seller may require that any person with a claim or right affecting the Property be paid off from the proceeds of this sale.

11. **Matters Prior to Closing.** The Buyer shall have the right to have a survey and a metes and bounds description of the Property prepared by a licensed surveyor prior to closing, and if such survey is certified to the Seller and the Seller's attorneys, the Seller will include such description and acreage in the Deed. The Seller shall not be liable to any person injured in the course of said survey, and the Buyer agrees to hold harmless the Seller from any claim for injury or property damage which arises from the presence of the surveyors, and other related individuals on the Property.

12. **Due Diligence.** The Seller shall afford the Buyer thirty (30) days from the execution of this Agreement by both parties to perform any and all due diligence or inspections with respect to the use of the Property and to notify Seller as to whether, based on the results of all such due diligence and inspections, Seller will proceed with this transaction. All such due diligence and inspections shall be paid for by Buyer. The Sellers shall cooperate with all reasonable requests made by the Buyer to access and investigate the Property. During the period of due diligence, the Buyer, its agents, employees, consultants and contractor shall have the right to enter onto the Property to perform the necessary inspections, including, but not limited to, wetlands; surveys; percolation tests; soil analysis; soil borings; environmental tests, including, but not limited to, Phase I environmental audit; feasibility studies; and any other test or investigation of a similar nature. If any testing to be done requires the Property to be disturbed, the Buyer shall remediate and restore the Property to its pre-existing condition. The Buyer may also have a survey of the Property completed. All inspections shall be at the Buyer's sole risk, and the Buyer hereby indemnifies and holds the Seller and its agents harmless, inclusive of legal fees and costs, with regard to the claims of any third party who enter upon the Property at the request of or for the benefit of the Buyer, regardless of whether the Seller was the cause in whole or in part of the condition that the caused the injury.

During this period of due diligence, the Sellers shall also provide Buyer with the opportunity to make a full and independent investigation of any correspondence, instruments, agreements, documents, records, plans, drawings, permits, approvals, survey and topographical maps, engineering data, and/or prior investigative reports done by the Sellers or in its possession.

The results of any inspections including, but not limited to, environmental inspections, shall be deemed confidential and shall not be disclosed to any third parties, other than the Buyer's agents, without the Sellers' expressed written authorization, unless required by judicial order.

If the Buyer is satisfied with the results of all inspections, investigations and/or studies, it shall notify the Sellers of the foregoing and further notify the Sellers that it shall proceed with the transaction, as agreed to herein. If the Buyer is dissatisfied with the results of its due diligence inquiry, it may elect to terminate this Agreement whereupon it shall be entitled to a refund of its deposit.

11. **Matters Prior to Closing.** The Buyer shall have the right to have a survey and a metes and bounds description of the Property prepared by a licensed surveyor prior to closing, and if such survey is certified to the Seller and the Seller's attorneys, the Seller will include such description and acreage in the Deed. The Seller shall not be liable to any person injured in the course of said survey, and the Buyer agrees to hold harmless the Seller from any claim for injury or property damage which arises from the presence of the surveyors, and other related individuals on the Property.

12. **Due Diligence.** The Seller shall afford the Buyer thirty (30) days from the execution of this Agreement by both parties to perform any and all due diligence or inspections with respect to the use of the Property and to notify Seller as to whether, based on the results of all such due diligence and inspections, Seller will proceed with this transaction. All such due diligence and inspections shall be paid for by Buyer. The Sellers shall cooperate with all reasonable requests made by the Buyer to access and investigate the Property. During the period of due diligence, the Buyer, its agents, employees, consultants and contractor shall have the right to enter onto the Property to perform the necessary inspections, including, but not limited to, wetlands; surveys; percolation tests; soil analysis; soil borings; environmental tests, including, but not limited to, Phase I environmental audit; feasibility studies; and any other test or investigation of a similar nature. If any testing to be done requires the Property to be disturbed, the Buyer shall remediate and restore the Property to its pre-existing condition. The Buyer may also have a survey of the Property completed. All inspections shall be at the Buyer's sole risk, and the Buyer hereby indemnifies and holds the Seller and its agents harmless, inclusive of legal fees and costs, with regard to the claims of any third party who enter upon the Property at the request of or for the benefit of the Buyer, regardless of whether the Seller was the cause in whole or in part of the condition that the caused the injury.

During this period of due diligence, the Sellers shall also provide Buyer with the opportunity to make a full and independent investigation of any correspondence, instruments, agreements, documents, records, plans, drawings, permits, approvals, survey and topographical maps, engineering data, and/or prior investigative reports done by the Sellers or in its possession.

The results of any inspections including, but not limited to, environmental inspections, shall be deemed confidential and shall not be disclosed to any third parties, other than the Buyer's agents, without the Sellers' expressed written authorization, unless required by judicial order.

If the Buyer is satisfied with the results of all inspections, investigations and/or studies, it shall notify the Sellers of the foregoing and further notify the Sellers that it shall proceed with the transaction, as agreed to herein. If the Buyer is dissatisfied with the results of its due diligence inquiry, it may elect to terminate this Agreement whereupon it shall be entitled to a refund of its deposit.

13. **Possession.** At the closing the Buyer will be given possession of the Property. No tenant will have any right to the Property unless otherwise agreed in this Contract.

14. **Ownership:** The Seller agrees to transfer and the Buyer agrees to accept ownership of the Property free of all claims and rights of others, except for:

(a) the rights of utility companies to maintain pipes, poles, cables and wires over, on and under the street, the part of the Property next to the street or running to any house or other improvement on the property, roadways or watercourses which may abut or traverse the Property;

(b) such facts as an accurate and current survey may reveal;

(c) Buyer intends to use the property for parking purposes. Buyer agrees to reserve 6 parking spaces, 24 hours per day, for the exclusive use of Borough residents that do not have off-street parking on their property; and

(d) any other recorded easements or restrictions which limit the use of the Property and which have been provided to the Buyer prior to the execution of this Contract by the Buyer.

15. **Complete Agreement:** This contract, *together with the Ordinance and Resolution Authorizing the Sale of Surplus Property* (hereinafter "contract documents") constitutes the entire and only agreement between the Buyer and the Seller. The contract documents replace and cancel any previous agreements between the Buyer and the Seller. The contract documents can only be changed by an agreement in writing signed by both Buyer and Seller.

16. **Parties Liable:** This contract is binding upon all parties who sign it and all who succeed to their rights and responsibilities.

17. **Notices:** All notices under this contract must be in writing. The notices must be delivered personally or mailed by certified mail, return receipt requested, to the other party at the address written in this contract or to the party's attorney, or sent by confirmed telefax, with a hard copy following immediately by regular mail; or by confirmed overnight courier.

18. **Realtor's Commission.** Both the Buyer and the Seller hereby represent and warrant to the other that they have not dealt with any real estate broker or real estate salesperson in connection with the transaction which is contemplated hereunder. Each party hereby agrees that they will indemnify, save harmless and defend the other from and against any and all claims which may be advanced against the other party for a brokerage commission, finder's fee or other similar fee which may be advanced in connection with the transaction contemplated hereunder.

19. **Both parties agree that the three (3) day attorney review period does not apply to this transaction.**

Signed and Agreed to by:

WITNESS:

12/19th/13

Date Signed:

[Signature]
Buyer

ATTEST:

BOROUGH OF WASHINGTON, IN THE
COUNTY OF WARREN

[Signature: Kristine Blanchard]

Name: Kristine Blanchard
Title: Dorothy Clark

Date Signed:

11/26/13

By [Signature: Scott McDonald]

Name: SCOTT McDonald
Title: Mayor

Form **W-9**

Rev. December 2001

Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Please print or type

Name (See Specific instructions on page 2)

Business name, if different from above. (See Specific instructions on page 2)

Check appropriate box: Individual/Sole proprietor Corporation Partnership Other

Address (number, street, apt. no., or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

Part I Taxpayer Identification Number (TIN)

List account numbers here (optional)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 2. For other entities, if you have an employer identification number (EIN), if you do not have a number, see how to get a TIN on page 2. **Note:** If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

Social security number

or

Employer identification number

776688 3448

Part II For U.S. Payees Exempt From Backup Withholding (See the instructions on page 2)

Part III Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA) and general payments/other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)

Sign Here

Signature of U.S. person

[Handwritten Signature]

Date

9/23/13

Purpose of Form

A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to give your correct TIN to the person requesting it (the requester) and when applicable to:

- Certify the TIN you are giving is correct to you, are waiting for a number to be issued, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

If you are a foreign person, use the appropriate Form W-8. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Corporations.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

What is backup withholding? Persons making certain payments to you must withhold and pay to the IRS 28% of such payments under certain conditions. This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and dealer exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

If you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return, payments you receive will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

- You do not furnish your TIN to the requester, or
- You do not certify your TIN when required (see the Part III instructions on page 2 for details), or
- The IRS tells the requester that you furnished an incorrect TIN, or
- The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

You do not certify to the requester that you are not subject to backup withholding under 4 above for reportable interest and dividend accounts opened after 1985 only!

Certain payees and payments are exempt from backup withholding. See the Part III instructions and the separate instructions to the Requester of Form W-9.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

REDEVELOPER'S AGREEMENT

THIS AGREEMENT, made and entered this 16 day of January, 2014

BY AND BETWEEN:

JADE PARTNERS WASHINGTON, LLC, a New Jersey limited liability company with offices located at 16 Wolfe Run, Long Valley, New Jersey 07054,

hereinafter referred to as the "Redeveloper;"

AND

BOROUGH OF WASHINGTON, a Municipal Corporation in the County of Warren and State of New Jersey, with offices located at 100 Belvidere Avenue, Washington, New Jersey 07822,

hereinafter referred to as the "Borough."

WITNESSETH

WHEREAS, the Redeveloper is the current owner of the tract or parcel of land (the "Property") described on the Borough Tax Map as Block 95, Lots 3 and 4; and

WHEREAS, the Redeveloper received preliminary and final site plan approval with variance relief and conditions from the Borough of Washington Planning Board (the "Planning Board") pursuant to a resolution adopted on January 13, 2014, memorializing the Board's action on December 9, 2013 and amended pursuant to a resolution adopted on June 9, 2014, memorializing the Board's action on May 12, 2014 and further amended pursuant to a resolution adopted on September 8, 2014 memorializing the Board's action on August 11, 2014 for the redevelopment of the Property consisting of demolition of the current structures on the Property and construction of a four story mixed use building of approximately 15,344 square feet with parking for 95 cars; and

WHEREAS, the Property is located in the Washington Avenue Core District of the Borough Redevelopment Plan and is required to be developed in accordance with the Redevelopment Plan; and

WHEREAS, the Redeveloper and Borough desire to enter into a Redeveloper's Agreement setting forth the rights, duties and obligations of the parties in connection with the Approval and approved Plans; and

WHEREAS, the Redeveloper desires to proceed with the Redevelopment of the Property and to install the improvements in accordance with the Approval and approved Plans; and

WHEREAS, the Borough Ordinance Chapter 94-15A indicates that no final plat shall be approved until all items required to be bonded have been either installed or guaranteed; and

WHEREAS, since there is storm drainage and driveway work required within the right-of-way of South Lincoln Avenue (off-site), prior to the commencement of any work within South Lincoln, the Redeveloper shall be required to obtain a street opening permit and post a Performance Guarantee pursuant to Chapter 75 Streets and Sidewalks of the Borough ordinances. The amount of the Performance Guarantee has not been determined at this time.

NOW, THEREFORE, in consideration of the foregoing, and the agreements and conditions of the Approval and approved Plans, it is mutually agreed by and between parties hereto, as follows:

1. Prior to the start of any work within South Lincoln Avenue the Redeveloper shall obtain the required Borough street opening permit and post the required Performance Guarantee. The form of the guarantee shall be a 10% cash deposit and the balance a surety bond or letter of credit. The amount of the Performance Guarantee shall be determined by the Municipal Engineer based upon an Engineering Estimate of Quantities and Cost to be provided by the Redeveloper. The Redeveloper, upon satisfactory completion of the work shall deliver to the Borough a twenty-four (24) month surety maintenance bond, or letter of credit, which shall be in a form satisfactory to the Borough, and the maximum sum permitted by statute.

2. Prior to the start of any work within the right-of-way of West Washington Avenue (New Jersey Route 57) the Redeveloper shall obtain a Utility Opening Permit from NJDOT and shall post any bonds and inspection escrows required by NJDOT.

3. Prior to the start of any site work, the Redeveloper shall submit an initial escrow deposit of \$10,000.00 to cover engineering inspection fees. The Redeveloper agrees that it will make subsequent installment deposits in the event the deposit balance reaches \$2,500.00. Each subsequent installment shall not cause the total escrow balance to exceed \$10,000.00. The Borough agrees to place the cash deposit in a separate savings account, in escrow, in a banking institution or savings and loan association in this State insured by an agency of the federal government, in the name of the Borough, and to hold and dispose of the said account (including the interest earned thereon) as hereinafter provided.

4. The Redeveloper will, at the Redeveloper's own cost and expense, in a good and workmanlike manner, install and complete all of the improvements in accordance with the approved plans and specifications, and the applicable ordinances, rules and regulations of the Borough. The Borough Engineer shall inspect and approve the work as installed in accordance with the approved plans and final plat and the requirements of the Borough's ordinances, rules and regulations.

5. Signing of the approved Plans is specifically conditioned upon the Redeveloper's compliance with the requirements contained in the Approval as well as the various reports prepared by the Borough's professionals, including the Planning Board Engineer, Planning Board Planner and the Borough Engineer, both prior to and after the date of approval including,

but not limited to, the reports of the Planning Board Engineer dated November 11, 2013 and December 4, 2013, and the reports of the Planning Board Planner dated November 8, 2013 and December 6, 2013, except as such requirements may be modified by the Approval. Proof of compliance shall be submitted to the Borough Engineer and the Borough Attorney.

6. All of the work and improvements set forth above under the terms of this Agreement shall be completed within two (2) years of the signing of the final site plan; provided that the Redeveloper may request in writing a one (1) year extension for completion of the work and improvements which shall not be unreasonably withheld. Should the Redeveloper fail, refuse or neglect to complete, to the satisfaction of the Borough Engineer and in accordance with this Agreement, all of said work and improvements within the above time limit, then the Borough shall be free to take whatever legal steps the Borough desires. The Redeveloper shall have the right to petition the Planning Board for extensions of the completion date in accordance with the provision of the Municipal Land Use Law.

7. The Redeveloper shall and will comply fully with all applicable Borough ordinances, rules, regulations and all other requirements of governmental bodies having jurisdiction over any aspect of this Redevelopment or the improvements or facilities thereof, including all applicable requirements, rules, regulations and statutes of the State of New Jersey, all conditions of the approving Board and all representations made to the approving Board. The Redeveloper shall and will comply fully with all of the findings, conditions, and requirements of the Approval which are incorporated in this Agreement.

8. The Redeveloper shall replenish the inspection fees deposit as required by the applicable Borough ordinance and be responsible, in any event, for the payment of the Borough Engineer's inspection fees, as required by such ordinance, subject to the provisions of the Municipal Land Use Law.

9. All stumps, dead trees or debris created in connection with the construction of the Redevelopment will be removed from the Redevelopment by the Redeveloper unless otherwise authorized by the Borough Engineer.

10. Redeveloper shall remove any silt deposited in the Redevelopment and/or Borough's storm sewers, brooks, catch basins or other drainage areas resulting from erosion or siltation of soil or debris during the course of construction by this Redeveloper. Any instruction given by the Borough Engineer, Construction Official or Soil Conservation District to prevent such erosion or siltation shall be performed by the Redeveloper in a reasonably prompt manner.

11. After completing the construction of the improvements, the Redeveloper shall furnish the Borough with "as built" plans which are acceptable to the Municipal Engineer.

12. The Redeveloper shall ensure that all lots and other areas in said Redevelopment shall be properly graded and properly drained in accordance with the approved Plans and at the direction of the Borough Engineer.

13. Although the Borough shall issue certain construction permits pursuant to its ordinances from time to time after the execution of this Agreement and proper application by Redeveloper, no Certificates of Occupancy for any unit shall be issued until all site

improvements have been completed and as-built plans have been submitted and approved by the Municipal Engineer. The Redeveloper may request and the Borough may authorize the release of Certificates of Occupancy prior to the completion of all site improvements subject to all work being completed to the satisfaction of the Municipal Engineer except the final course of paving and landscaping and further subject to the Redeveloper posting a suitable performance guaranty to guarantee the completion of all remaining work. The amount of the performance guarantee shall be established by the Municipal Engineer based upon an Engineer's Estimate of Quantities and Cost to be provided by the Redeveloper.

14. The Planning Board reserves the right to revoke or withdraw any approval granted in the Resolution, upon notice to the Redeveloper and a public hearing, in the event that there is any deviation from or alteration to the Plans approved by the Resolution, unless prior written approval for the deviation or alteration has been obtained by the Redeveloper from the Planning Board. Minor deviations and field changes may be authorized in writing by the Borough Engineer.

15. In addition to the conditions contained in the Approval, the approved Plans, and in any reports of the Borough's various professionals, any Certificates of Occupancy are also specifically conditioned upon the Redeveloper's full compliance with all conditions, requirements or other terms of this Agreement.

16. The Redeveloper shall obtain final, unconditional approval and/or permits from all agencies and entities having jurisdiction over any aspects of the proposed Redevelopment, including, but not limited to: A) Warren County Planning Board; B) New Jersey Department of Transportation; C) Washington Borough Fire Chief.

17. The Redeveloper shall also obtain a written agreement from New Jersey American Water Company to provide water service and written approval of sewerage allocation as well as a Sewer Connection Permit from the Borough. The Redeveloper represents that as of the date of this Agreement, it has obtained the required written agreement from New Jersey American Water Company and written approval of sewerage allocation from the Borough. Redeveloper shall provide copies of the agreement and approval to the Borough upon request.

18. All documents required to be prepared by the Redeveloper by the terms or provision of this agreement or the Approval shall be approved by the Board Attorney and Board Engineer prior to execution.

19. No work shall occur on the project by the Redeveloper until a preconstruction meeting has been held between the Redeveloper and the Borough Engineer and the Redeveloper's contractor.

20. The Redeveloper's contractor shall maintain the insurance coverages as required by the Borough and shall name the Borough of Washington and the Municipal Engineer as additional insureds.

21. A. While the terms and conditions set forth in this Agreement are binding upon the Borough, the approving Board, and the Redeveloper, nothing herein contained shall be construed as preventing the Borough, the approving Board or the Redeveloper from exercising in

any court of law or elsewhere any rights or duties which it may have by statute, ordinance or other law. This Agreement shall not operate to confer upon any such public body any powers, rights or duties it does not now possess, nor abridge the rights of the Redeveloper vis-a-vis any such public body.

B. The covenants, undertakings, agreements and other obligations mentioned in this Agreement shall not be construed as a representation by the Borough, the approving Board, or by any Borough officer, board or employee to have or to assume any contractual or other liability to or with any persons, firms or corporations purchasing any land, buildings or improvements from the Redeveloper or otherwise using or having an interest in the same, nor shall this Agreement be construed to create any liability on the Borough or the approving Board to third persons.

C. Nothing herein contained shall be construed to render the Borough or any of its officers, boards or employees liable for any charges, costs or debts for material, labor or other expenses incurred in the making of the improvements.

D. Redeveloper shall be and remain liable for any and all damage or money loss occasioned by the Borough or its officers or agents by any neglect, wrongdoing, omission or commission of or by the Redeveloper or by any person, firm or corporation acting for the Redeveloper or Applicant hereunder arising from the making of the improvements or the performance of the terms hereof. The Redeveloper and Applicant shall save, indemnify and hold harmless the Borough, its officers, agents, boards and employees from any and all liability and reasonable costs incurred in defending, negotiating or settling any action which may arise from any such damage or loss, from the making of the improvements by Redeveloper or Applicant or the performance of the terms hereof except for improvements not installed by Redeveloper or Applicant unless the Borough or its agents shall have acted contrary to law or failed to perform acts required by law or by this Agreement.

E. Nothing contained in this Agreement shall be construed to give any person or legal entity, not a party to this Agreement, any claim against the Borough or any of its agencies with respect to the manner of the installation of improvements, or for any damages arising therefrom.

22. All notices sent pursuant to this Agreement shall be in writing and directed to the party at the address set forth at the beginning of this Agreement, unless prior to the notice being sent the party has delivered a substitute address to the other party by certified mail, return receipt requested, in which case the notice shall be sent to that address.

23. The Redeveloper further agrees that this Agreement shall be binding upon the Redeveloper and the Redeveloper's heirs, personal representatives, successors or assigns (as the case may be), notwithstanding the fact that it may sell, transfer, encumber or otherwise dispose of the property or any portion thereof, and the performance guarantee called for herein shall remain in full force and effect in any such event. In the event of such transfer, the escrow accounts and any bonds posted by the Redeveloper shall not be released in whole or in part, until the successor Redeveloper, assignee, person or entity has posted sufficient review and inspection escrows and bonds, as determined by the Borough Attorney and Chief financial Officer, and

countersigns this Agreement, or executes a new Redeveloper's agreement with the Borough as directed by the Borough Attorney.

24. Per the Approval, the Redeveloper shall comply with any and all Affordable Housing Contributions that may be required by Chapter 94, Article X, "Development Fees" of the Borough Code, or obtain relief from the Borough Council or, in the alternative, the Planning Board.

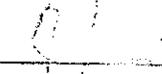
25. The Property shall be subject to Chapter 79, Article I, "Five-Year Tax Exemption and Abatement" of the Code of the Borough of Washington, which implements the Five Year Tax Exemption and Abatement Law, codified at N.J.S.A. 40A:21-1 et seq., providing for temporary tax relief for property owners, upon completion of the project and compliance by the Redeveloper with the terms of that Ordinance, including but not limited to entry into a Tax Agreement between Redeveloper and the Borough as provided by N.J.S.A. 40A:21-10.

IN WITNESS WHEREOF, the said parties have hereunto caused this Agreement to be signed by their proper representatives (and, if a corporation, have caused their proper seal to be hereunto affixed) the day and year first above written.

ATTEST:



JADE PARTNERS WASHINGTON, LLC

By: 

ATTEST:


Borough Clerk

BOROUGH OF WASHINGTON

By: 
Mayor

SCHEDULE A

SCHEDULE L

SCHEDULE C

PERFORMANCE GUARANTEE COST ESTIMATE

**BOROUGH OF WASHINGTON
COUNTY OF WARREN**

**RESOLUTION IN SUPPORT OF THE AMENDED AFFORDABLE HOUSING
TRUSTFUND SPENDING PLAN**

WHEREAS, the Borough of Washington’s development fee ordinance establishes and affordable housing trust fund; and

WHEREAS, the Borough’s most recently approved spending plan which dictates the spending of said monies (“hereinafter “Spending Plan”) is attached hereto as **Exhibit A**; and

WHEREAS, since the adoption of the Borough’s Spending Plan, the Borough has become desirous of furthering proposed development within the Borough and has entered into an Amended Redeveloper’s Agreement with Jade Partners Urban Renewal, LLC (hereinafter “Redeveloper”); and

WHEREAS, the Borough has agreed to pay to the Redeveloper the total amount of \$300,000 (\$30,000 per unit) in exchange for thirty (30)-year affordable housing deed restrictions on ten (10) rental residential units. (See **Exhibit B**); and

WHEREAS, the Redeveloper will be providing an equal split of low income and moderate-income units; and

WHEREAS, at this time, and in furtherance of the Borough’s efforts to meet its affordable housing obligations and to otherwise promote development within the Borough, the Borough seeks to amend its Spending Plan to include payments to the Redeveloper in order to secure affordable housing controls as set forth in the attached Amended Redeveloper’s Agreement; and

WHEREAS, on April 13, 2018 such relief was been granted by way of Court Order which is attached hereto as (**Exhibit C**); and

WHEREAS, the Borough has prepared its Amended Spending Plan consistent with N.J.A.C. 5:97-8.10 and which provides for a \$300,000 payment to Jade Partners Urban Renewal, LLC, which shall secure thirty-year affordable housing deed restrictions on ten (10) residential rental units in compliance with the Amended Redeveloper's Agreement dated June 22, 2017.

(Exhibit D)

NOW, THEREFORE, BE IT RESOLVED, that the governing body of the Borough of Washington, Warren County, State of New Jersey, authorizes the expenditures as set forth in the Amended Spending Plan; and

BE IT FURTHER RESOLVED; that the Amended Spending Plan will be forwarded to the Court and will be part of any housing plan to be adopted by the Borough.

A

Washington Borough

Affordable Housing Trust Fund Spending Plan

INTRODUCTION

The Borough of Washington, Warren County has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301) and the regulations of the Council on Affordable Housing (COAH) (N.J.A.C. 5:97-1 et seq. and N.J.A.C. 5:96-1 et seq.).

As of December 31, 2008, Washington Borough has collected \$20,240, expended \$0, resulting in a balance of \$20,240. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund in PNC Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9 as described in the sections that follow.

I. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of third round substantive certification, Washington Borough considered the following:

(a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PII.):

Actual and committed payments in lieu (PII.) of construction from developers as follows:

Mid Town Limited- \$240,000
The Regency at Washington- \$140,000

(c) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, proceeds from the sale of affordable units.

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

Projected Revenues-Housing Trust Fund - 2009 - 2018

SOURCE OF FUNDS	Pre 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
(a) Development Fees:												
Approved Development:												
Heather Hill Subdivision			\$3,540	\$5,310	\$5,310	\$5,310						\$19,470
2. Development Pending Approval												
3. Projected Development:												
Downtown Redevelopment - Non-Resl.						\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$750,000
Mid Town Limited - Non-Resl.			\$75,000	\$75,000	\$75,000							\$225,000
Misc. Single Family Homes		\$1,642	\$4,927	\$9,853								\$16,422
(b) Payments in Lieu of Construction:												
The Regency of Washington							\$140,000					\$140,000
Mid Town Limited - Resl.			\$20,000	\$30,000	\$40,000	\$50,000	\$50,000	\$45,000				\$235,000
(c) Other Funds:												
Fees Collected through 12/31/08	\$19,666											\$19,666
Subtotal	\$19,666	\$1,642	\$103,467	\$120,163	\$120,310	\$180,310	\$315,000	\$170,000	\$125,000	\$125,000	\$125,000	\$1,405,558
(d) Interest:	\$574	\$552	\$2,611	\$4,442	\$6,322	\$9,764	\$14,800	\$16,303	\$16,708	\$16,872	\$17,040	\$105,988
Total	\$20,240	\$2,194	\$106,078	\$124,605	\$126,632	\$190,074	\$329,800	\$186,303	\$141,708	\$141,872	\$142,040	\$1,511,546

Washington Borough projects a total of \$1,491,306 in revenue and interest to be collected between January 1, 2009 and December 31, 2018. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by Washington Borough:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Washington Borough's development fee ordinance for both residential and non-residential developments in accordance with COAH's rules and P.L. 2008, c.46, sections 8 (C. 52:271-329.2) and 32-38 (C. 40:551-8.1 through 8.7).

(b) Distribution of development fee revenues:

The Borough will distribute funds with the oversight of the Council. The Council will work with the Affordability Housing Administrator and the Municipal Housing Liaison to manage the projects outlined in this spending plan.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) **Rehabilitation and new construction programs and projects (N.J.A.C. 5:97-8.7)**

Washington Borough will dedicate \$210,000 to rehabilitation or new construction programs (see detailed descriptions in Fair Share Plan) as follows:

Rehabilitation program: \$210,000

(b) **Affordability Assistance (N.J.A.C. 5:97-8.8)**

Projected minimum affordability assistance requirement:

Actual Development Fees and Interest Earned Thru 12/31/08	+	\$20,240
Development fees projected 2009-2018	+	\$1,385,892
Interest projected 2009-2018	+	\$105,414
Less housing activity expenditures through 6/2/2008	-	\$0
Total	=	\$1,511,546
30 percent requirement	x 0.30 =	\$453,464
Less Affordability assistance expenditures through 12/31/2004	-	\$0
PROJECTED MINIMUM Affordability Assistance Requirement 1/1/2009 through 12/31/2018	=	\$453,464
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 1/1/2009 through 12/31/2018	÷ 3 =	\$151,155

Washington Borough will dedicate \$453,464 from the affordable housing trust fund to render units more affordable, including \$151,155 to render units more affordable to households earning 30 percent or less of median income by region through affordability assistance programs such as down-payment assistance, rental assistance, and converting low-income units to very-low-income units.

(c) **Administrative Expenses (N.J.A.C. 5:97-8.9)**

Actual Development Fees and Interest Earned Thru 12/31/09	+	\$20,240
Development fees projected 2009-2018	+	\$1,385,892
Interest projected 2009-2018	+	\$105,414
Less Administration through 12/31/2008	-	\$0
Total	=	\$1,511,546
20 percent requirement	x 0.20 =	\$302,309
Less Administration through 12/31/2004	-	\$0
PROJECTED MAXIMUM ADMINISTRATION COSTS THROUGH 12/31/2018	=	\$302,309
PROJECTED ANNUAL ADMINISTRATION COSTS THROUGH 12/31/2018	÷ 10 =	\$30,231

Washington Borough projects that \$302,309 will be available from the affordable housing trust fund to be used for administrative purposes.

4. EXPENDITURE SCHEDULE

Washington Borough intends to use affordable housing trust fund revenues for the creation and/or rehabilitation of housing units. Where applicable, the creation/rehabilitation funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows.

Program	# of Units	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
<i>Rehabilitation</i>	27	\$0	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$30,000	\$30,000	\$30,000	\$210,000
Total Programs	27	\$0	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$30,000	\$30,000	\$30,000	\$210,000
Affordability Assistance		\$0	\$0	\$0	\$0	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$78,464	\$453,464
Administration		\$22,434	\$30,231	\$30,231	\$30,231	\$30,231	\$30,231	\$30,231	\$30,231	\$30,231	\$38,028	\$302,309
Total	27	\$22,434	\$70,231	\$70,231	\$70,231	\$145,231	\$145,231	\$145,231	\$165,231	\$165,231	\$176,492	\$965,773

5. EXCESS OR SHORTFALL OF FUNDS

Pursuant to the Housing Element and Fair Share Plan, the governing body of Washington Borough has adopted a resolution agreeing to fund any shortfall of funds required for implementing the Plan. In the event that a shortfall of anticipated revenues occurs, Washington Borough will pay for the gap through any lawful means including, but not limited to bonding, if necessary.

In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be used to fund the housing rehabilitation program.

6. BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with Washington Borough's Affordable Housing Ordinance in accordance with N.J.A.C. 5:97-8.5.

SUMMARY

Washington Borough intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9 and consistent with the housing programs outlined in the Borough's Housing Element and Fair Share Plan

Washington Borough has a balance of \$20,240 as of December 31, 2008 and anticipates an additional \$1,491,306 in revenues before the expiration of substantive certification for a total of \$1,511,546. The municipality will dedicate \$210,000 towards rehabilitation, \$453,464 to render units more affordable, and \$302,309 to administrative costs. In the event that a shortfall of anticipated revenues occurs, Washington Borough will pay for the gap through any lawful means including, but not limited to bonding, if necessary. The municipality will dedicate any excess funds toward housing rehabilitation.

SPENDING PLAN SUMMARY		
Balance as of December 31, 2008		\$20,240
Projected REVENUE 2009-2018		
Development fees	+	\$1,010,892
Payments in lieu of construction	+	\$375,000
Other funds	+	\$0
Interest	+	\$105,414
TOTAL REVENUE	=	\$1,491,306
TOTAL AVAILABLE FUNDS	=	\$1,511,546
EXPENDITURES 2009-2018		
Funds used for Rehabilitation	-	\$210,000
Funds used for New Construction		
Affordability Assistance	-	\$453,464
Administration	-	\$302,309
Excess Funds for Additional Housing Activity		
Rehabilitation		\$545,773
TOTAL PROJECTED EXPENDITURES	=	\$1,511,546
REMAINING BALANCE	=	\$0

B

SECOND AMENDMENT TO REDEVELOPER'S AGREEMENT

THIS AGREEMENT, made and entered this ^{22nd} day of *June* 2017

BY AND BETWEEN:

JADE PARTNERS WASHINGTON, LLC (soon to be known as **JADE PARTNERS URBAN RENEWAL, LLC**), a New Jersey limited liability company with offices located at 16 Wolfe Run, Long Valley, New Jersey 07054,

hereinafter referred to as the "**Redeveloper**"

AND

BOROUGH OF WASHINGTON, a Municipal Corporation in the County of Warren and State of New Jersey, with offices located at 100 Belvidere Avenue, Washington, New Jersey 07822,

hereinafter referred to as the "**Borough**."

WITNESSETH:

WHEREAS, the Redeveloper is the current owner of the tract or parcel of land (the "Property") described on the Borough Tax Map as Block 95, Lots 3 and 4, which have been merged in a single Lot 4; and

WHEREAS, the Redeveloper received preliminary and final site plan approval with variance relief and conditions from the Borough of Washington Planning Board (the "Planning Board") pursuant to a resolution adopted on January 13, 2014, memorializing the Board's action on December 9, 2013 and amended pursuant to a resolution adopted on June 9, 2014, memorializing the Board's action on May 12, 2014 and further amended pursuant to a resolution adopted on September 8, 2014 memorializing the Board's action on August 11, 2014 (collectively, the "Resolutions") for the redevelopment of the Property consisting of demolition of the current structures on the Property and construction of a four story mixed use building of approximately 15,344 square feet with parking for 95 cars (the "Project"); and

WHEREAS, the Property is located in the Washington Avenue Core District of the Borough Redevelopment Plan and is required to be developed in accordance with the Redevelopment Plan; and

WHEREAS, the Redeveloper entered into a Redeveloper's Agreement with the Borough dated September 16, 2014, which was amended on August 16, 2016 by Borough Council Resolution #127-16, setting forth the rights, duties and obligations of the parties in connection with the Approval and approved Plans, which are attached hereto as **Exhibit A** and **Exhibit B**

respectively and incorporated herein by reference (collectively, "Redeveloper's Agreement"); and

WHEREAS, since execution of the Redeveloper's Agreement, the circumstances regarding the Borough's requirement to provide affordable housing for low and moderate income families have drastically changed;

WHEREAS, the Borough of Washington has filed a Declaratory Judgment Action in the Superior Court of New Jersey, Hunterdon County, in furtherance of the Supreme Court's March 10, 2015, decision captioned In re Adoption of N.J.A.C. 5:96 & 5:97 by N.J. Council on Affordable Housing, 221 N.J. 1 (2015) (the "Supreme Court Decision"), which was assigned to the Honorable Thomas C. Miller P.J. Cv.; and

WHEREAS, the Borough anticipated that as part of that litigation, it will be assigned, for the first time, a prospective affordable housing obligation; and

WHEREAS, the Borough has identified Redeveloper's site as a suitable site on which to provide for affordable housing; and

WHEREAS, the Resolutions did not require the Redeveloper to provide a set aside for affordable housing; and

WHEREAS, the Redeveloper has proposed to set aside twenty percent (20%) of the proposed fifty units on the Property (i.e. ten units) and deed restrict such for affordable housing as rental units in exchange for a \$30,000 per unit contribution from the Borough's Affordable Housing Trust Fund; and

WHEREAS, N.J.A.C. 5:93-8.16 provides that "A municipality may use revenues collected from development fees for any activity approved by the Council for addressing the municipal fair share. Such activities include, but are not limited to: rehabilitation, *new construction*, RCAs, ECHO housing, purchase of land for low and moderate income housing, improvement of land to be used for low and moderate income housing, extensions and/or improvements of roads and infrastructure to low and moderate income housing sites, assistance designed to render units to be more affordable and administration of the implementation of the housing element." [emphasis added]; and

WHEREAS, due to the above-referenced Declaratory Judgment Action and the Supreme Court Decision, the Borough will be required to receive approval from the Superior Court to amend its affordable housing spending plan to disburse funds under this Agreement; and

WHEREAS, the Borough desires to provide Redeveloper with such funds and the Redeveloper desires to proceed with the Redevelopment of the Property and to install the improvements in accordance with the Approval and approved Plans; and

WHEREAS, pursuant to Ordinance #5-2013, Resolution #198-2013, and the First Amendment to the Redeveloper's Agreement, the Borough agreed to sell to Redeveloper a

certain parking lot deemed to be surplus property and designated as Block 95, Lot 31 ("Parking Lot"); and

WHEREAS, due to financial circumstances, the closing on the sale of the Parking Lot was not completed in the agreed upon time; and

WHEREAS, the Borough and the Redeveloper desire to complete such transaction; and

WHEREAS, the Borough and Redeveloper have determined that it is in the best interest all parties to amend the Redeveloper's Agreement to enter into an agreement pursuant to the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.; and

WHEREAS, the Borough and Redeveloper wish to amend the existing Redeveloper's Agreement to reflect the new agreements regarding the provision of affordable housing units, the sale of the Parking Lot, and the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.; and

WHEREAS, any term of the Redeveloper's Agreement not specifically modified herein remains in full force and effect and binding upon Redeveloper.

NOW, THEREFORE, in consideration of the foregoing, and the agreements and conditions of the Redeveloper's Agreement, Approval and approved Plans, it is mutually agreed by and between parties hereto, as follows:

1. **Affordable Housing Trust Fund Contribution.**

a. *Amount.* In exchange for the promises and covenants set forth herein, the Borough shall pay to the Redeveloper the amount of \$300,000, subject to all terms and conditions herein.

b. *Recording of Deed Restriction.* Redeveloper and the Borough shall execute a Deed Restriction a form substantially the same as attached hereto as **Exhibit D**. The Deed Restriction Such document shall be recorded with the Warren County Clerk upon issuance of the first certificate of occupancy for the Project.

If the affordable rental units are not completed within two (2) years' of the execution of this Agreement, the Borough shall have the right pursuant to subsection (g) hereunder to seek return of any monies paid to the Owner hereunder. The Owner shall have the right to request an extension of this deadline from the Township Committee, which shall not be unreasonably withheld.

c. *Recording of Temporary Mortgage on Parking Lot Property.* Pursuant to Section 7 hereunder, Redeveloper shall purchase certain property from the Borough located at Block 95, Lot 31 and currently used as a municipal parking lot (the "Parking Lot"). In order to secure the Borough's interest in the completion of the affordable rental units, Redeveloper and the Borough shall execute a Temporary Mortgage on the Parking Lot in a form substantially the same as attached hereto as **Exhibit E**. The Temporary Mortgage is only intended to remain in effect until the residential portion of the Project is complete to ensure that the affordable rental

units are completed. The Temporary Mortgage shall be recorded with the Warren County Clerk upon execution of this Agreement. Within thirty (30) days of the issuance of the final certificate of occupancy for all ten (10) of the affordable rental units in the Project, the Borough shall file a discharge of the Temporary Mortgage. However, such discharge shall not occur until the Deed Restriction pursuant to subsection (b) hereunder is duly recorded.

If the affordable rental units are not completed within two (2) years of the execution of this Agreement, the Borough shall have the right to enforce the Temporary Mortgage. The Owner shall have the right to request an extension of this deadline from the Township Committee, which shall not be unreasonably withheld.

d. *Payment Schedule.* Payment from the Affordable Housing Trust Fund shall be made in six (6) installments based upon the below construction schedule. After the requisite work is complete, Redeveloper shall contact the Township Engineer in writing with a copy to the Borough Manager to inspect that such work was completed. The Borough Construction Code Official shall inspect the Property within thirty (30) days of receipt of such request from the Redeveloper. The Borough Construction Code Official shall then make a recommendation to the Borough's governing body regarding completion of the requisite work. All payments shall be made to Redeveloper within thirty (30) days of recommendation of the Borough Construction Code Official and submission of a proper payment voucher by Redeveloper to the Borough.

- i. First payment in the amount of \$75,000 shall be due upon demolition of the existing structures on the Property. However, such payment shall not be made until and unless the Borough receives approval from the Superior Court to amend its spending plan pursuant to subsection 2 below. If the demolition is completed prior to the Court's approval, the first payment shall be issued within 30 days of receipt of approval from the Court.
- ii. Second Payment in the amount of \$45,000 shall be due upon excavation and preparation of footing trenches and satisfactory inspections and approvals thereof.
- iii. Third Payment in the amount of \$45,000 shall be due upon complete erection of rough framing and satisfactory inspections and approvals thereof.
- iv. Fourth Payment in the amount of \$45,000 shall be due upon dry-in of structure and rough-in of all electrical, plumbing, HVAC, and mechanical systems and satisfactory inspections and approvals thereof.
- v. Fifth Payment in the amount of \$45,000 shall be due upon substantial completion of structure including but not limited to, finish of exterior façade, external utility (water, sewer, electric, and natural gas) hookups, finish plumbing, and interior trim-out.

vi. Sixth Payment in the amount of \$45,000 shall be due upon issuance of Certificates of Occupancy by Construction Code Official

e. *Designation and Construction of Units.* Redeveloper agrees to designate ten (10) units to be constructed on the Property as affordable housing rental units. Redeveloper shall construct all affordable rental housing and provide for appropriate bedroom mixes in compliance with the current Council on Affordable Housing substantive rules and the Uniform Housing Affordability Control Regulations.

f. *Administration.* Redeveloper shall be responsible for administering the affordable housing units. The Borough shall have no financial obligations under this provision to assure the creditworthiness of the units, and all associated expenses shall be solely borne by the Developer, its successors, or assigns, which expenses include, but are not limited to providing an Administrative Agent at its exclusive expense to perform all administrative tasks. The administrative tasks include those responsibilities as set forth in N.J.A.C. 5:80-26.14 including, but not limited to, conducting an outreach process, conducting interviews with interested households, creating and maintaining a list of eligible households, determining income eligibility and all other activities to ensure that restricted units are rented to low- and moderate-income households. Redeveloper shall also be responsible for the costs of all funding applications including, but not limited to, low income housing tax credits, special needs trust funds, County HOME funds, Federal Home Loan Bank financing, construction and permanent financing.

g. *Cooperation with Reporting.* The Parties acknowledge that the Borough may have the obligation from time to time to generate information necessary to demonstrate the creditworthiness of the units. Redeveloper will cooperate with the Town and provide all monitoring and reporting requirements within fifteen (15) business days of the request.

h. *Remedies and Enforcement.* In the event that Redeveloper fails to complete the Project within two (2) years of the date of this Agreement, the Borough shall have all remedies in law or equity, including seeking a return of all monies paid pursuant to subsection (c) hereunder and all remedies available pursuant to the Temporary Mortgage and Deed Restriction set forth in subsection (b) hereunder.

2. **Amendment of Spending Plan.** Pursuant to N.J.S.A. 52:27D-329.2 et seq. and Borough Code Section 94-92, the Borough is not authorized to make any payments from its Affordable Housing Trust Fund without approval of a spending plan by the Council on Affordable Housing or a Court of competent jurisdiction. The payment to Redeveloper was not included in the Borough's previously approved spending plan. Therefore, the Borough must apply to the Superior Court of New Jersey in order to amend its spending plan. Within thirty days of execution of this Agreement, the Borough shall make such necessary application.

3. **Waiver of Payment of Development Fees.** Pursuant to Paragraph 24 of the Redeveloper's Agreement, Redeveloper was required to comply with Chapter 94, Article X, "Development Fees" of the Borough Code requiring certain contributions to the affordable housing trust fund or obtain relief from such requirement from the Borough Council. In light of the fact that such project is located in a redevelopment district and the Redeveloper shall be providing for affordable housing; such requirement is hereby waived.

4. **Stormwater Maintenance and Drainage Facilities.** Storm and surface waters shall be directed to drainage facilities in accordance with the drainage system shown on the approved Plans and said installation shall meet the approval of the Borough Engineer and any other required State or County entity. The Redeveloper represents that such drainage facilities shall be located on the Property and no other easements are required. The Redeveloper shall ensure that all lots and other areas in said development shall be graded and proper drainage installed in accordance with the Plans and at the direction of the Borough Engineer. The Redeveloper shall be responsible for all maintenance of stormwater management measures incorporated into the design of the development of the Property. Therefore, if required by applicable ordinances, statutes or regulations, the Redeveloper must file a maintenance plan with the Warren County Clerk's Office with a copy to the Borough Clerk and Engineer. If required by applicable ordinances, statutes, regulations, or project operations manual the Redeveloper shall file copies of all inspection and maintenance logs annually by April 1st of each year with the Borough Clerk and Borough Engineer. Redeveloper and its successors and / or assigns shall allow the Borough access to such stormwater and drainage facilities in order to inspect such as the Borough deems necessary. The purpose would be to inspect the stormwater management facilities as we deemed necessary in order to comply with applicable NJDEP regulations.

5. **Construction and Staging.** In accordance with the approved Plans, during construction of the project, construction vehicles shall enter the Property via West Washington Avenue and shall not utilize the Access Easement off of South Lincoln Avenue. This shall not restrict permitted ingress and egress use of the easement.

6. **Outstanding Borough Fines.** As a condition of this Agreement, Redeveloper shall pay any outstanding fines assessed against the property for Borough ordinance violations.

7. **Purchase of Parking Lot.** By Ordinance 5-2013 (the "Ordinance"), the Borough Council previously authorized the sale of the certain surplus property (Block 95, Lot 3rd) owned by the Borough and currently used as a municipal parking lot (the "Parking Lot") to Redeveloper, for \$95,000.00, with a deposit of \$9,500.00. Such deposit is already held in escrow by the Borough Attorney. On or about December 19, 2013, the Borough and Redeveloper executed a Contract of Sale, which is attached hereto as Exhibit F. By this Agreement, the closing date of such Contract of Sale is extended.

Title shall close within thirty (30) days from the date of the execution of this Agreement. If title does not close on such date due to any default of the Redeveloper, the Borough shall have the option to cancel the Contract of Sale and this Agreement unilaterally by writing to the Redeveloper and retaining the deposit monies as liquidated damages, in addition to any rights the Borough shall have at law and in equity against the Redeveloper. Redeveloper shall be required to execute an addendum to the Contract of Sale at closing acknowledging the extension of the closing date.

The conveyance shall be subject to public and private rights in any roadways or water courses which may abut or traverse the Parking Lot, restrictions and easements of record, if any, such facts as an accurate and current survey may reveal, and zoning ordinances of the municipality.

The sale of the Parking Lot is "as is" and without contingency, warranty or representation including, by way of example, as to condition of land, suitability for construction of structures thereon, compliance with zoning regulations, subdivision approval, issuance of building permit, environmental factors affecting the Property, and any financing requirements of purchaser. No financing contingencies shall be allowed.

The sale is final and the Redeveloper's deposit will not be returned for any reason except as otherwise provided in the Ordinance, Notice of Sale, this Agreement and the Contract of Sale. It will not be a reason to return the Redeveloper's deposit that the Parking Lot cannot be used for the purpose intended by the Redeveloper or that the Redeveloper cannot obtain the funds necessary to complete the purchase of the Parking Lot by the assigned closing date.

As a condition of the sale, Redeveloper agrees to reserve 6 parking spaces, 24 hours per day, for the exclusive use of Borough residents that do not have off-street parking on their property.

8. **Long Term Tax Exemption.** The Borough acknowledges that the Redeveloper will be submitting an application to the Borough under the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 *et seq.* for approval of an agreement for a payment in lieu of taxes, (hereinafter, the "Financial Agreement"). The Redeveloper and the Borough recognize that the Financial Agreement will benefit the Redeveloper, the Borough, and the potential residents and/or tenants of the Project. If proposed by the Redeveloper, the Borough shall consider and approve such application and adopt the required ordinance within sixty (60) days of the date the Redeveloper files the application with the Borough. Such approval is conditioned upon such application being complete and in compliance with all applicable ordinances, laws, statutes, and regulations. The proposed terms of the Financial Agreement are set forth in **Exhibit C** attached hereto. The Financial Agreement shall be subject to the receipt of all governmental approvals required by the applicable laws. If Redeveloper defaults under this Agreement or fails to obtain all Governmental Approvals within the specified time period or commence construction within the specified time period, the Borough is not obligated to enter into the Financial Agreement or may void such Agreement if already executed.

The Borough further recognizes that in order to be eligible for a tax abatement pursuant to the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 *et seq.*, Redeveloper must be an urban renewal entity as defined in N.J.S.A. 40A:20-5. Redeveloper shall make all necessary applications and other arrangements to meet the requirements of the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 *et seq.* In the event that Redeveloper cannot meet such requirements and upon request of the Redeveloper, this provision shall be amended by mutual agreement of the parties to allow for a five-year tax abatement pursuant to N.J.S.A. 40A:21-1 *et seq.*

9. **Inspection Fees and Escrow.** Pursuant to the Redeveloper's Agreement and Resolutions, Redeveloper established an escrow in the amount of \$10,000 to facilitate payment of attorney review and engineering inspection fees in accordance with N.J.S.A. 40:55D-53.1. Redeveloper further agreed that it would make subsequent installment deposits in the event the deposit balance reaches \$2,500.00. Such account has been depleted and not replenished by the

Redeveloper. Redeveloper is obligated to replenish the inspection fees deposit as required by Borough Ordinance. Within fifteen (15.) days of the execution of this Agreement, Redeveloper shall deposit into said escrow the amount of \$10,000. Moreover, no construction permit or certificate of occupancy shall be issued if such account has not been replenished in accordance with the Redeveloper's Agreement or this Amendment thereto. In the event there is a portion of any amount unused, it shall be returned to the Redeveloper upon approval of the Township Committee.

10. **Extension for Completion of Work.** Pursuant to Paragraph 6 of the Redeveloper's Agreement, Redeveloper was to complete work within two years of signing of the final site plan. Such period has expired. Therefore, Redeveloper shall request a one year extension of such time period from the Planning Board pursuant to Paragraph 6 thereof.

11. **Severability of Provisions.** If any paragraph, section, clause, sentence, provision or other part of this Agreement, or the application thereof to any person, firm or corporation, or its application to any facts or circumstances, shall for any reason be adjudged by a Court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remaining paragraphs, sections, clauses, sentences, provisions, or other parts of this Agreement. The provisions of this contract are intended to be severable.

12. **Limitation of Municipal Liability.** While the terms and conditions set forth in this Agreement are binding upon the Borough, the Board, and the Redeveloper, nothing herein contained shall be construed as preventing the Borough, the Board or the Redeveloper from exercising in any court of law or elsewhere any rights or duties which it may have by statute, ordinance or other law. This Agreement shall not operate to confer upon any such public body any powers, rights or duties it does not now possess, nor abridge the rights of the Redeveloper vis-a-vis any such public body.

a. The covenants, undertakings, agreements and other obligations mentioned in this Agreement shall not be construed as a representation by the Borough, the Board, or by any Borough officer, board or employee to have or to assume any contractual or other liability to or with any persons, firms or corporations purchasing any land, buildings or improvements from the redeveloper or otherwise using or having an interest in the same, nor shall this Agreement be construed to create any liability on the part of the Borough or the Board to third persons.

b. Nothing herein contained shall be construed to render the Borough or any of its officers, boards or employees liable for any charges, costs or debts for material, labor or other expenses incurred in the making of the improvements.

c. Redeveloper shall be and remain liable for any and all damage or money loss incurred by the Borough or its officers or agents by any neglect, wrongdoing, omission or commission of or by the Developer or by any person, firm or corporation acting for the redeveloper hereunder arising from the making of the improvements or the performance of the terms hereof. The Redeveloper shall save, indemnify and hold harmless the Borough, its officers, agents, boards and employees from any and all liability and reasonable costs incurred in defending, negotiating or settling any action which may arise from any such damage or loss, from the making of the improvements by Redeveloper or the performance of the terms hereof

except for improvements not installed by Redeveloper unless the Borough or its agents shall have acted contrary to law or failed to perform acts required by law or by this Agreement.

d. Nothing contained in this Agreement shall be construed to give any person or legal entity, not a party to this Agreement, any claim against the Borough or any of its agencies with respect to the manner of the installation of improvements, or for any damages arising therefrom.

13. **Indemnification.** Redeveloper shall be and remain liable for any and all damage or money loss occasioned to the Borough or the Board or their officers or agents by any neglect, wrongdoing, omission or commission of or by the Redeveloper or by any person, firm or corporation acting for the developer arising from the making of the site improvements, from the performance of the terms hereof, from the granting of site plan approval, or from or out of this Agreement, and shall save, indemnify and hold harmless the Borough, its officers, agents, boards and employees, and the Board, its members, officer, agents and employees, from any and all actions at law or in equity, charges, debts, liens, encumbrances, costs, counsel fees, and engineer and surveying fees which may arise from any such damage or loss, from the making or the improvements, from the performance of the terms hereof, from the granting of site plan approval or from or out of this Agreement unless the Borough or its agents shall have been judicially determined to have acted contrary to law or failed to perform acts required by law or by this Agreement or have been guilty of negligence which is actionable by law under N.J.S.A. 59:1-1 et seq. This indemnification shall not affect the Redeveloper's right to proceed against any third parties.

14. **Notices.** All notices sent pursuant to this Agreement shall be in writing and directed to the party at the address set forth at the beginning of this Agreement, unless prior to the notice being sent the party has delivered a substitute address to the other party by certified mail, return receipt requested, in which case the notice shall be sent to that address.

15. **Successors Bound.** The Redeveloper further agrees that this Agreement shall be binding upon the Redeveloper and the Redeveloper's heirs, personal representatives, successors or assigns (as the case may be), notwithstanding the fact that it may sell, transfer, encumber or otherwise dispose of the property or any portion thereof, and the performance guarantee called for herein shall remain in full force and effect in any such event. In the event of such transfer, the escrow accounts and any bonds posted by the Developer shall not be released in whole or in part, until the successor developer, assignee, person or entity has posted sufficient review and inspection escrows and bonds, as determined by the Town Attorney and Chief Financial Officer, and countersigns this Agreement, or executes a new developer's agreement with the Borough, as directed by the Borough Attorney.

16. **No Waiver.** Nothing contained in this Agreement shall be deemed a waiver by any party of its rights under any ordinance or state statute or other law, or be construed as an abridgment, preemption or waiver of the powers of the Borough, approving authority, or any other agency or public body.

17. Provisions Enforceable as Conditions. Each of the provisions of this Agreement shall have the same force and effect as if set forth at length as conditions of the grant of site plan approval.

18. Amendments in Writing. This Agreement may be changed, modified, or amended only by a written instrument signed by the parties hereto or their successors.

19. Recording. This Agreement may be recorded in the discretion of the Borough. It is understood and agreed that the continuing easements and obligations contained in this Agreement may also be included in a Declaration of Covenants and Restrictions filed by the Redeveloper in the Warren County Clerk's Office with such easements and obligations to run with the land.

20. Deposits as Preconditions. Building/construction permits or certificates of occupancy shall not be issued unless the deposits mentioned in this Agreement, or other necessary deposits, have been made.

21. Costs of Enforcement. If the Redeveloper neglects or fails to carry out any provision of this Agreement within a reasonable time period, the Borough shall have the authority to have the necessary work performed and to charge the Redeveloper or owner for the cost of work done.

IN WITNESS WHEREOF, the said parties have hereunto caused this Agreement to be signed by their proper representatives (and, if a corporation, have caused their proper seal to be hereunto affixed) the day and year first above written.

ATTEST:

JADE PARTNERS WASHINGTON, LLC

By: 

ATTEST:


Borough Clerk

BOROUGH OF WASHINGTON

By: 

Mayor

C

LESLIE A. PARIKH, Esq.

ATTORNEY ID #038131999

GEBHARDT & KIEFER, P.C.

1318 Route 31 ~ P.O. Box 4001

Clinton, New Jersey 08809-4001

Tel. (908) 735-5161

Attorneys for Petitioners,

Borough of Washington, Township of Independence, and Township of Knowlton

IN THE MATTER OF THE
APPLICATION OF BOROUGH OF
WASHINGTON, Municipal Corporations
of the State of New Jersey,

Petitioners.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION-WARREN COUNTY

DOCKET NO. **L-230-15**

CIVIL ACTION
(Mount Laurel)

**ORDER ALLOWING SPENDING PLAN
AMENDMENT**

THIS MATTER having been opened to the Court on the application of Gebhardt & Kiefer, P.C. attorneys for Petitioner, Borough of Washington (the "Borough"), for an Order allowing an amendment to its affordable housing trust fund spending plan and Kevin Walsh, Esq., Attorney for Interested Party, Fair Share Housing Center, having consented hereto and for good cause shown;

IT IS on this 13th day of April, 2018, that Petitioner's Request is **GRANTED** as follows:

1. The Court shall permit the Borough of Washington to amend its affordable housing trust fund spending plan to provide for a \$300,000 payment to Jade Partners Urban Renewal, LLC, which shall secure thirty-year affordable housing deed restrictions on ten (10) residential rental units in compliance with a certain Amended Redeveloper's Agreement dated June 22, 2017.
2. Within 45 days of the entry of this Order, the Borough shall submit to the Court and all interested parties a copy of such revised spending plan, which shall be included in any affordable

housing plan adopted by the Borough of Washington in connection with this matter.

2. A copy of this Order shall be served on all parties requiring notice this action, or their attorneys, within seven (7) days hereof.

/s/ THOMAS C. MILLER, P.J.Cv.

HONORABLE THOMAS C. MILLER, P.J. Civ.

The Court's Findings of Fact and Conclusions of Law were placed on the Record in Open Court on April 13, 2018

D

Washington Borough
Affordable Housing Trust Fund Spending Plan

May 2018

Washington Borough
Warren County, New Jersey

Prepared By:



Heyer, Gruel & Associates

Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

The original of this report was signed and
sealed in accordance with N.J.S.A. 45:14A-12

Susan S. Gruel, P.P. #1955

M. McKinley Mertz, AICP, P.P. #6368

INTRODUCTION

Washington Borough in Warren County previously prepared and adopted a Housing Element and Fair Share Plan in 2009 and is in the process of preparing an update to the plan. The amended plan will address the Borough's regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301). The Borough adopted a Development Fee Ordinance in 2006 via Ordinance Number 19-2006. The ordinance establishes standards for the collection, maintenance, and expenditure of development fees consistent with COAH rules and P.L.2008, c.46 (C.52:27D-329.1 et al.).

As of May 1, 2018, the Borough's dedicated trust fund had a balance of \$588,000.00. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited into this separate interest-bearing affordable housing trust fund for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:93 or applicable regulations as described in the sections that follow.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of third round "substantive certification," Washington Borough considered the following:

(a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Actual and committed payments in lieu (PIL) of construction from developers.

(c) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, proceeds from the sale of affordable units. No other funds have been or are anticipated to be collected.

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

Projected Revenues-Housing Trust Fund - 2018 - 2025										
SOURCE OF FUNDS	As of 05/01/2018	2018	2019	2020	2021	2022	2023	2024	2025	Total
Balance	\$588,000									
(a) Projected Development fees	-	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$160,000
(d) Interest	-	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$720
Total	\$588,00	\$20,090	\$20,090	\$20,090	\$20,090	\$20,090	\$20,090	\$20,090	\$20,090	\$748,720

To calculate the projection of revenue anticipated from development fees, eleven (11) years of construction data for the Borough, acquired from the New Jersey Department of Community Affairs, was examined. The Borough projects a total of \$160,000 in revenue will be collected between May 1, 2018 and December 31, 2025. An additional \$720 in interest is projected to be earned. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing. The Borough projects total trust fund revenues of \$748,720 through December 31, 2025.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by Washington Borough:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Washington Borough's development fee ordinance for both residential and non-residential developments.

(b) Distribution of development fee revenues:

The Administrative Agent and the Municipal Housing Liaison will manage the projects outlined in this spending plan and the Housing Element and Fair Share Plan.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) **Rehabilitation**

The Borough will utilize \$74,360 from the trust fund for its rehabilitation loan program and supplement its continued participation in the Warren County Housing Rehabilitation Program.

(b) **New construction of 10 rental units**

The Borough will provide \$300,000 from its trust fund to support the production of 10 affordable rental units within the Washington Avenue Core District of the Borough's Redevelopment Area. The Borough has entered into a Redevelopers Agreement with Jade Partners Urban Renewal, LLC to redevelop this portion of the Redevelopment Area with an affordable housing component. The 10 units will have a 30-year deed restriction placed upon them.

The payment to Jade Partners Urban Renewal, LLC was approved by the Court via an Order by the Honorable Judge Miller, dated April 13, 2018.

Affordability Assistance (N.J.A.C. 5:93-8.16)

Projected minimum affordability assistance requirement:

Affordability Assistance		
Actual balance through 05/01/2018		\$588,000
Projected Development fees 2018-2025	+	\$160,000
Projected Trust Fund Interest 2018-2025	+	\$720
Total	=	\$478,720
30 percent requirement	x 0.30 =	\$224,616
PROJECTED MINIMUM Affordability Assistance Requirement 1/1/2018 through 12/31/2025	=	\$224,616
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 1/1/2018 through 12/31/2025	÷ 3 =	\$74,872

As per the requirements regarding the use of funds for affordability assistance laid out in N.J.A.C. 5:93-8.16, the Borough is required to dedicate at least 30 percent of all development fees collected and interest earned to provide affordability assistance to low- and moderate-income households. In addition, at least one-third of the affordability assistance shall be used to provide affordability assistance to very-low income households. The Borough, therefore, will dedicate at least \$224,616 from the affordable housing trust fund to render units more affordable, including \$74,872 to render units more affordable to households earning 30 percent or less of median income by region by converting low income units to very-low income units.

Administrative Expenses (N.J.A.C. 5:93-8.16)

Administrative Expenses		
Actual balance through 05/01/2018		\$588,000
Projected Development fees 2018-2025	+	\$160,000
Projected Trust Fund Interest 2018-2025	+	\$790
Total	=	\$748,720
20 percent cap	x 0.20 =	\$149,744

No more than 20% of revenues collected from development fees shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop to implement: a rehabilitation program; a new construction program; a housing element; and an affirmative marketing program. Administrative funds may be used for: income qualification of households; monitoring the turnover of sale and rental units; and compliance with monitoring requirements.

Moving forward, the Borough projects that \$149,744 will be available from the affordable housing trust fund to be used for administrative purposes.

4. EXPENDITURE SCHEDULE

Program	Project Expenditure Schedule 2018-2025								
	2018	2019	2020	2021	2022	2023	2024	2025	Total
Rehabilitation	-	\$12,000	\$12,000	\$12,000	\$14,000	\$12,000	\$12,360	-	\$74,360
New Construction of 10 units	\$300,000	-	-	-	-	-	-	-	\$300,000
Affordability Assistance	\$20,000	\$20,000	\$20,000	\$20,000	\$30,000	\$40,000	\$40,000	\$34,616	\$244,616
Administration	\$20,000	\$20,000	\$15,000	\$15,000	\$15,000	\$15,000	\$20,000	\$29,744	\$147,744
Total	\$340,000	\$52,000	\$47,000	\$47,000	\$59,000	\$67,000	\$72,360	\$64,360	\$748,720

SUMMARY

Washington Borough intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:93 or applicable regulations.

As of May 1, 2018, the Borough has a balance of \$588,000, and anticipates \$160,720 in revenues and interest by December 31, 2025. The Borough will dedicate \$224,616 to render units more affordable, and \$149,744 to administrative costs.

SPENDING PLAN SUMMARY	
Balance as of May 1, 2018	\$588,000
Projected REVENUE May 1, 2018 to December 31, 2025	
Development fees	+ \$160,000
Payments in lieu of construction	+ \$0
Other funds	+ \$0
Interest	+ \$720
TOTAL REVENUE + CURRENT BALANCE	= \$748,720
EXPENDITURES	
Funds used for Rehabilitation	- \$74,360
Affordability Assistance	- \$224,616
Administration	- \$149,744
Excess Funds for Additional Housing Activity	= \$300,000
TOTAL PROJECTED EXPENDITURES	= \$748,720
REMAINING BALANCE	= \$0

Appendix H

Habitat for Humanity Documentation (Block 100 Lot 42)

151133

Deed

VL1766-PC083

This Deed is made on August 24, 2001
BETWEEN

WARREN COUNTY HABITAT FOR HUMANITY, INC.

a corporation of the state of New Jersey
having its principal office at 49 Park Avenue, Washington, NJ 07882

referred to as the Grantor,
AND SUSAN L. TRIMMER, Single and STEPHEN W. PHILLIPS, Single, as joint
tenants with rights of survivorship and not as tenants in common.

whose post office address is about to be 2 Marble Street, Washington, NJ 07882

referred to as the Grantee.
The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

1. **Transfer of Ownership.** The Grantor grants and conveys (transfers ownership of) the property (called the "Property") described below to the Grantee. This transfer is made for the sum of FIFTY-FIVE THOUSAND DOLLARS (\$55,000.00)

The Grantor acknowledges receipt of this money.

2. **Tax Map Reference.** (N.J.S.A. 46:15-1.1) Municipality of Washington Borough
Block No. 100 Lot No. 41 Account No.

No property tax identification number is available on the date of this Deed. (Check box if applicable).

3. **Property.** The Property consists of the land and all the buildings and structures on the land in the Borough of Washington County of Warren and State of New Jersey. The legal description is:

Please see attached Legal Description annexed hereto and made a part hereof (check box if applicable).

Being the same lands and premises conveyed by Catholic Charities, Dioces of Metuchen, to Warren County Habitat for Humanity, Inc. by deed dated June 9, 2000 and recorded in the Warren County Clerk's Office in Book 1691 of Deeds at Page 248.

This property may only be used for owner-occupied single-family affordable housing for moderate-income households. In the event the property is used for any other purpose, title shall revert to the Borough of Washington.

See attached restrictions which shall constitute covenants running with the land and shall bind the grantees, their heirs and assigns.

Prepared by: (print signer's name below signature)
Stuart C. Ours
STUART C. OURS, ESQUIRE

(For Recorder's Use Only)

Consideration : \$ 55000.00 Exempt Code: L

County	State	N.P.N.R.F	Total
55.00	0.00	0.00	55.00
rate	Date: 08/30/2001		

104PD - Deed - Bargain and Sale
Cov. as to Grantor's Acts - Corp. to Ind. or
Corp. - Plain Language 7/96



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ALL-STATE International, Inc.
(800) 873-0800

VL1766-PC084

RAY S. OATLEY
PROFESSIONAL LAND SURVEYOR
16 WEST CHURCH STREET
WASHINGTON, NEW JERSEY 07882
PHONE: (908) 689-3549
FACSIMILE: (908) 689-3023

Metas and Bounds Description of Lot 41, Block 100
Borough of Washington, Warren County, New Jersey

BEGINNING at an iron bar set on the northerly side of Marble Street, said bar being 220 feet westerly from the westerly curbline of South Wandling Avenue, running Thence:

- 1) Along the northerly side of Marble Street, S 80° 30' 00" W, 50.00 feet to an iron bar set, Thence:
- 2) N 9° 30' 00" W, 100.00 feet to an iron bar set, Thence:
- 3) N 80° 30' 00" E, 50.00 feet to an iron bar set, Thence:
- 4) S 9° 30' 00" E, 100.00 feet to the point and place of BEGINNING.

Containing 0.115 acres of land as shown on a survey dated April 28, 2000 by Ray S. Oatley, N.J.L.S. #27951.

Being known as 2 Marble Street, Washington, New Jersey.

Being the same land as described in Deed Book 1332, Page 223 as recorded in the Warren County Clerk's Office.

DEED RESTRICTIONS

The property is being sold substantially below fair market value. It is the intention of the Grantor that this property shall remain as affordable housing after resale, therefore, this Deed and conveyance shall be subject to the following restrictive covenants on resale;

- (a) The Grantee shall not sell the property at resale for greater than the established Base Price (the initial sales price) plus the allowable percentage increase as determined by the Index applicable to the municipality in which the unit is located, which Index is approved for use by the Council of Affordable Housing (COAH).
- (b) The Grantee shall not sell the property to anyone other than a purchaser who has been certified utilizing income verification procedures to determine that the purchaser is a qualified Low and Moderate Income-Eligibility Household as defined in the Fair Housing Act N.J.S.A. 52:27D-301 et seq.
- (c) The Grantor shall have a First Right of Refusal to purchase the property at the Base Price plus the allowable percentage increase as determined by the Index approved by COAH. If the Grantee desires to sell the property, the Grantee shall provide the Grantor with a written Notice of Intent to Sell. The Grantor shall have thirty (30) days from receipt of the Notice of Intent to sell to provide written notice to the Grantee of the Grantor's intent to exercise its right of first refusal. If the Grantor does not exercise its right of first refusal, then the Grantee may sell the property to a purchaser provided that such sale does not violate the other restrictions contained herein. If the Grantor does not exercise its right of first refusal and the Grantee does not sell the property to the purchaser within ninety (90) days, then the Grantor's right of first refusal shall remain in effect.
- (d) If the Grantee sells the property pursuant to these restrictions, that deed, and any subsequent deed conveying an interest in the property shall contain these Deed Restrictions.

STATE OF NEW JERSEY
AFFIDAVIT OF CONSIDERATION OR EXEMPTION
(P.L. 1968, c. 49)

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A Division of ALL-STATE International, Inc.
(908) 272-0500 Page 1

PARTIAL EXEMPTION
(P.L. 1975, c. 176)

To be recorded with Deed pursuant to P.L. 1968, c. 49, as amended by P.L. 1991, c. 308 (N.J.S.A. 46:15-5 et seq.)

STATE OF NEW JERSEY
COUNTY OF WARREN

FOR RECORDER'S USE ONLY
Consideration \$ 55,000.00
Realty Transfer Fee \$ 55.00
Date 8-24-2001 By [Signature]

(1) PARTY OR LEGAL REPRESENTATIVE
Deponent David H. Morris

(See Instructions #3, 4 and 5 on reverse side.)
* Use symbol "C" to indicate that fee is exclusively for county use.

Deponent David H. Morris, being duly sworn according to law upon his/her oath deposes and says that he/she is the President in a deed dated 8/24/01

transferring real property identified as Block No. 100 Lot No. 41 located at 2 Marble Street, Washington Borough, Warren County, NJ

(2) CONSIDERATION (See Instruction #6.)

Deponent states that, with respect to deed hereto annexed, the actual amount of money and the monetary value of any other thing of value constituting the entire compensation paid or to be paid for the transfer of title to the lands, tenements or and agreed to be paid by the grantee and any other lien or encumbrance thereon not paid, satisfied or removed in connection with the transfer of title is \$ 55,000.00

(3) FULL EXEMPTION FROM FEE Deponent claims that this deed transaction is fully exempt from the Realty Transfer Fee imposed by P.L. 1968, c. 49 for the following reason(s): Explain in detail. (See Instruction #7.) Mere reference to exemption symbol is not sufficient.

(4) PARTIAL EXEMPTION FROM FEE

NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption. (See Instructions #3 and #9.)

Deponent claims that this deed transaction is exempt from the increased portion of the Realty Transfer Fee imposed by P.L. 1975, c. 176 for the following reason(s):

- A) SENIOR CITIZEN (See Instruction #8.)
B) BLIND (See Instruction #8.)
C) LOW AND MODERATE INCOME HOUSING (See Instruction #8.)
D) NEW CONSTRUCTION (See Instruction #9.)

Deponent makes this Affidavit to induce the County Clerk or Register of Deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of P.L. 1968, c. 49.

Subscribed and sworn to before me this 24th day of August, 2001
Stuart C. Ours
ATTORNEY AT LAW OF NEW JERSEY

David H. Morris
David H. Morris
78 Route 519
Phillipsburg, NJ 08865

Warren County Habitat For Humanity, Inc.
49 Park Avenue
Washington, NJ 07882

FOR OFFICIAL USE ONLY This space for use of County Clerk or Register of Deeds.
Instrument Number
Deed Number 151133 Book 1766 Page 83
Deed Dated 8-24-2001 Date Recorded 8-30-2001

IMPORTANT - BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE HEREOF. This format is prescribed by the Director, Division of Taxation in the Department of the Treasury, as required by law, and may not be altered without the approval of the Director.

ORIGINAL - To be retained by County.
DUPLICATE - To be forwarded by County to Division of Taxation on partial exemption from fee (N.J.A.C. 18:16 - 8.12)
TRIPLICATE - Is your file copy.

ORIGINAL AND DUPLICATE COPY MUST BE SUBMITTED WITH DEED TO COUNTY RECORDING OFFICER

151132

VL1766-PC087

RECORDED

01 AUG 30 10:44

TERRANCE LEE
WARREN COUNTY CLERK
BELLEVILLE, NJ

The street address of the Property is: 2 Marble Street, Washington, NJ 07882

4. Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the Property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

5. Signatures. This Deed is signed and attested to by the Grantor's proper corporate officers as of the date at the top of the first page. Its corporate seal is affixed. (Print name below each signature).

Witnessed or Attested by:

Rebecca Kobler
REBECCA KOBLER Secretary

WARREN COUNTY HABITAT FOR
HUMANITY, INC.
By: David H. Morris
DAVID H. MORRIS President

STATE OF NEW JERSEY, COUNTY OF WARREN
I CERTIFY that on August 24, 2001

SS.:

David H. Morris

personally came before me and stated to my satisfaction that this person (or if more than one, each person):

(a) was the maker of the attached Deed;
(b) was authorized to and did execute this Deed as President
of Warren County Habitat for Humanity, Inc. the entity named in this Deed;

(c) made this Deed for \$ 55,000.00 as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5); and
(d) executed this Deed as the act of the entity.

RECORD AND RETURN TO:
STUART C. OURS, ESQUIRE
P.O. Box 308
Washington, NJ 07882

Stuart C. Ours
(Print name and title below signature)

STUART C. OURS
ATTORNEY AT LAW OF N.J.



Appendix I
Habitat for Humanity Documentation
(Block 69 Lot 12, 13, 14, and 16)



WARREN COUNTY – STATE OF NEW JERSEY
PATRICIA J. KOLB – WARREN COUNTY CLERK
413 SECOND STREET, BELVIDERE, NJ 07823

COUNTY CLERK'S RECORDING PAGE
THIS PAGE IS PART OF THE DOCUMENT – DO NOT DETACH



BOOK/PAGE: 2557 / 345
INSTRUMENT #: 2014-427506
Receipt#: 2014410830
Clerk: CC
Rec Date: 07/01/2014 11:33:06 AM
Doc Grp: D
Descrip: DEED
Num Pgs: 8

Party1: WARREN COUNTY HABITAT FOR
HUMANITY
Party2: KNOLMAYER JEFFREY
Town: WASHINGTON BORO

Consideration: 108000.00

Recording:	
Recording Fee	37.00
Recording Fee Differ	23.00
Preservation Fee	40.00
Sub Total:	<u>100.00</u>
Transfer Tax	
County Treasurer Collecti	108.00
Sub Total:	<u>108.00</u>
Total:	<u>208.00</u>
**** NOTICE: THIS IS NOT A BILL ****	

Record and Return To:

STUART OURS ESQ
BROSCIOUS FISHER & ZAITER
43-45 BROAD ST
WASHINGTON NJ 07882

Prepared by:  _____ Angelo J. Bolcato, Esq.
--

DEED

Deed-Restricted Affordable Housing Unit with Restrictions on Resale and Refinancing

This Deed is made on June 19, 2014,

BETWEEN WARREN COUNTY HABITAT FOR HUMANITY, a nonprofit corporation of the State of New Jersey, whose address is, 31 Belvidere Avenue, Washington, NJ 07882, referred to as the Grantor,

AND JEFFREY KNOLMAYER AND CATHRYN KNOLMAYER, h/w, whose address is about to be 248 E. Washington Avenue, Washington Borough, New Jersey, 07882, referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and Grantees listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of One Hundred Eight Thousand Dollars and No Cents (\$108,000.00). The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Municipality of Borough of Washington, County of Warren, Block No. 69, Lot No. 16, 12, 13 and 14.

Property. The property (sometimes, the "Property") consists of the land and all the buildings and structures on the land in the County of Warren and State of New Jersey. The legal description is:

ALL THAT certain tract or parcel of land and premises situate, lying and being in the Borough of Washington, County of Warren and State of New Jersey, more particularly described as follows:

See attached portion of the Legal Description, Schedule A.

Consideration \$108000.00	Exempt Code:
County \$108.00	General \$0.00
Public \$0.00	N.J.A.H.T.F. \$0.00
State \$0.00	Total \$108.00
Extra \$0.00	

BEING the same land and premises acquired by Warren County Habitat for Humanity, Inc., a non profit corporation of the State of New Jersey from Dorothy A. Rost, by deed dated April 17, 2013 and recorded at the County Clerk's Office of Warren County on May 2, 2013 in Deed Book 2484, Page 303.

SUBJECT to easements, restrictions, covenants, reservations, agreements and matters of record, the provisions of zoning ordinances and other municipal ordinances, and such state of facts as an accurate survey and inspection of the premises would disclose.

Residential Use Only. The Property shall be used for residential purposes only.

Affordable Housing. In accordance with Grantor's policies and procedures, the Property is to be occupied for a term of thirty (30) years from the date of this Deed as an Affordable Housing Unit. Grantor may, but is not required to follow the Affordable Housing Requirements and Regulations known as the Uniform Housing Affordability Controls found in the New Jersey Administrative Code Title 5 Chapter 80 subchapter 26 "N.J.A.C. 580-26.1 et seq".

- (a) The Property may be conveyed only to a household who has been approved in advance and in writing by Grantor, its successors and/or assigns.
- (b) No sale or transfer of the Property shall take place unless approved in advance and in writing by Grantor and no sale shall be for consideration greater than the maximum amount as determined by Grantor.
- (c) No refinancing, equity loan, secured letter of credit, or any other mortgage or lien obligation or debt (collectively "Debt") secured by the Property, may be incurred except as approved in advance and in writing by Grantor.
- (d) The owner of the Property shall at all times maintain the Property as his or her principal place of residence.
- (e) A breach of the Affordable Housing Restrictions and Covenants will cause irreparable harm to the Grantor and as such in any event of a breach or threatened breach, the covenants by the Grantee or any successor in title, Grantor shall have all remedies as provided at law or equity, including the right to seek injunctive relief or specific performance.
- (f) Upon the occurrence of a breach of any covenants by the Grantee, or any successor in interest or other owner of the Property, Grantor shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, and specific performance.

Resale Restriction. The Property is expressly subject to the restrictions and conditions upon transfer, refinancing, sale, leasing and prepayment set forth in the purchase money note and mortgage ("Purchase Money Mortgage") to the Grantor from the Grantee dated this date as a condition to the Property being sold to Grantee on this date.

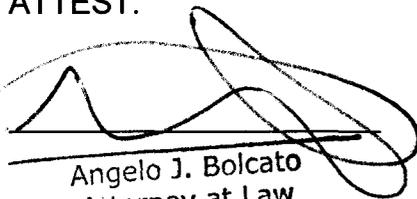
Leasing Restriction. Grantee shall not lease the property unless Grantor has consented in writing or the mortgage has been paid in full.

Grantee Will Not Discriminate. Grantee covenants not to discriminate upon the basis of race, color, religion, sex, national origin in the sale, lease, rental and/or of the use and occupancy of the property or any improvement made thereon or any part thereof.

Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

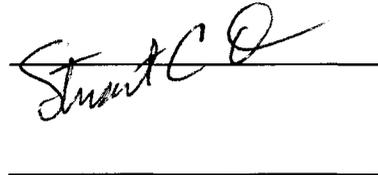
This Deed is signed by the Grantor's corporate officers affixed on the date signed below.

ATTEST:



Angelo J. Bolcato
Attorney at Law

WITNESS
State of New Jersey



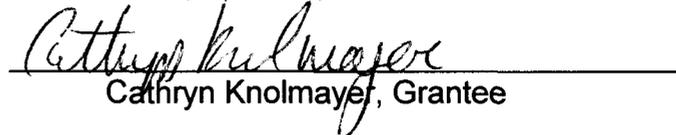
WARREN COUNTY HABITAT
FOR HUMANITY, Grantor

By: 

Donna Detrick, President



Jeffrey Knolmayer, Grantee

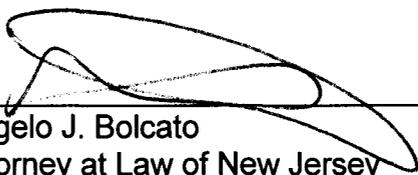


Cathryn Knolmayer, Grantee

STATE OF NEW JERSEY, COUNTY OF WARREN - SS:

I CERTIFY as follows:

1. On June 19, 2014, Donna Detrick personally appeared before me;
2. I was satisfied that this person is the person who executed this instrument as President of Warren County Habitat for Humanity, the corporation named in this instrument; and
3. This person stated that (s)he was authorized to execute the instrument on behalf of the corporation, and that (s)he executed the instrument as the act of such corporation.
4. The full and actual consideration paid or to be paid for the transfer of title is \$ 105,800.00. (Such consideration is defined in N.J.S.A. 46:15-5.)



Angelo J. Bolcato
Attorney at Law of New Jersey

STATE OF NEW JERSEY, COUNTY OF WARREN SS:

I CERTIFY that on June 19, 2014, Jeffrey and Cathryn Knolmayer personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

- (a) is named in and personally signed this document; and,
- (b) signed, sealed and delivered this document as his or her act and deed.



Stuart Ours
Attorney-at-Law of the State of New Jersey

Record and Return to:

Stuart Ours, Esq.
Broscious Fisher & Zaiter
43-45 Broad St
Washington, NJ 07882 1001

RECORDED

Patricia J Kolb Warren Co Clerk

BELVIDERE, NJ

DEED

Bk: 2557 Pg: 345

07/01/2014 11:33:06 AM

Pages 8

WASHINGTON BOROUGH, WARREN COUNTY, NEW JERSEY

Beginning at an Axle found in the southerly sideline of Jefferson Avenue (30' wide right of way), said Axle being located North 86 degrees 15 minutes East, a distance of 220.10 feet from the intersection of the said sideline with easterly sideline of Prosper Way (70' wide right of way), and running thence:

- 1) Along the said sideline of Jefferson Avenue, on a non-tangent curve to the left with a radius of 25.00 feet, an arc distance of 28.93 feet to an Axle found at a point of tangency to the easterly sideline McKinley Avenue (30' wide, unimproved right of way); thence the following two courses along the said easterly sideline McKinley Avenue:
- 2) North 3 degrees 49 minutes 30 seconds West, a distance of 164.37 feet to an Axle found; thence
- 3) North 7 degrees 17 minutes 10 seconds West, a distance of 162.67 feet to a point, said point being located South 7 degrees 17 minutes 10 seconds East distances of 50.24 and 0.16 feet from Iron Pipes found in said sideline; thence
- 4) Along the southerly line of lands of Barbara Langan, passing through Axles found on line at a distance of 0.27 feet from the beginning of this course, and at a distance of 0.53 feet from the end of this course, North 82 degrees 45 minutes East, a total distance of 100.50 feet to a point, said point being located South 7 degrees 14 minutes 35 seconds East, along the easterly line of said lands of Langan, a distance of 179.00 feet from an Iron Pipe found; thence
- 5) Firstly along the westerly line of lands of McKinley Land Corporation, then continuing along the westerly line of lands of Monte Blew and Roy Blew, South 7 degrees 14 minutes 35 seconds East, a distance of 574.12' feet to a Crosscut found in the westerly end of a concrete sidewalk; thence
- 6) Along the northerly sideline of East Washington Avenue (New Jersey State Highway Route No. 57, having a 66' wide right of way), South 79 degrees 41 minutes 20 seconds West, a distance of 141.06 feet to an Axle found; thence
- 7) Along the easterly sideline of a Public Footpath (20' wide, unimproved right of way), North 3 degrees 42 minutes 30 seconds West, a distance of 233.40 feet to the point and place of Beginning;



State of New Jersey
SELLER'S RESIDENCY CERTIFICATION/EXEMPTION
(C.55, P.L. 2004)

(Please Print or Type)

SELLER(S) INFORMATION (See Instructions, Page 2)

Names(s)

Warren County Habitat for Humanity

Current Resident Address:

Street: 31 Belvidere Avenue, Suite 1C

City, Town, Post Office

Washington

State

NJ

Zip Code

07882

PROPERTY INFORMATION (Brief Property Description)

Block(s)

69

Lot(s)

16, 12, 13 and 14

Qualifier

Street Address:

248 E. Washington Avenue

City, Town, Post Office

Washington

State

NJ

Zip Code

07882

Seller's Percentage of Ownership

100%

Consideration

\$108,000

Closing Date

6/4/2014

SELLER ASSURANCES (Check the Appropriate Box) (Boxes 2 through 10 apply to Residents and Non-residents)

1. I am a resident taxpayer (individual, estate, or trust) of the State of New Jersey pursuant to N.J.S.A. 54A:1-1 et seq. and will file a resident gross income tax return and pay any applicable taxes on any gain or income from the disposition of this property.
2. The real property being sold or transferred is used exclusively as my principal residence within the meaning of section 121 of the federal Internal Revenue Code of 1986, 26 U.S.C. s. 121.
3. I am a mortgagor conveying the mortgaged property to a mortgagee in foreclosure or in a transfer in lieu of foreclosure with no additional consideration.
4. Seller, transferor or transferee is an agency or authority of the United States of America, an agency or authority of the State of New Jersey, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.
5. Seller is not an individual, estate or trust and as such not required to make an estimated payment pursuant to N.J.S.A.54A:1-1 et seq.
6. The total consideration for the property is \$1,000 or less and as such, the seller is not required to make an estimated payment pursuant to N.J.S.A. 54A:5-1-1 et seq.
7. The gain from the sale will not be recognized for Federal income tax purposes under I.R.C. Section 721, 1031, 1033 or is a cemetery plot. (CIRCLE THE APPLICABLE SECTION). If such section does not ultimately apply to this transaction, the seller acknowledges the obligation to file a New Jersey income tax return for the year of the sale (see instructions).
 No non-like kind property received.
8. Transfer by an executor or administrator of a decedent to a devisee or heir to effect distribution of the decedent's estate in accordance with the provisions of the decedent's will or the intestate laws of this state.
9. The property being sold is subject to a short sale instituted by the mortgagee, whereby the seller has agreed not to receive any proceeds from the sale and the mortgagee will receive all proceeds paying off an agreed amount of the mortgage.
10. The deed being recorded is a deed dated prior to the effective date of P.L. 2004, c. 55 (August 1, 2004), and was previously unrecorded.

SELLER(S) DECLARATION

The undersigned understands that this declaration and its contents may be disclosed or provided to the New Jersey Division of Taxation and that any false statement contained herein could be punished by fine, imprisonment, or both. I furthermore declare that I have examined this declaration and, to the best of my knowledge and belief, it is true, correct and complete. By checking this box I certify that the Power of Attorney to represent the seller(s) has been previously recorded or is being recorded simultaneously with the deed to which this form is attached.

6-19-14

Date

Donna Detrick, President

Signature

(Seller) Please indicate if Power of Attorney or Attorney in Fact

Date

Signature

(Seller) Please indicate if Power of Attorney or Attorney in Fact

AFFIDAVIT OF CONSIDERATION FOR USE BY SELLER

(Chapter 49, P.L.1968, as amended through Chapter 33, P.L. 2006) (N.J.S.A. 46:15-5 et seq.)

BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY

COUNTY WARREN } SS. County Municipal Code 2121

FOR RECORDER'S USE ONLY
Consideration \$ 108,000- C
RTF paid by seller \$ 108-
Date 7/1/14 By ce

MUNICIPALITY OF PROPERTY LOCATION WASHINGTON BOROUGH

*Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE (Instructions #3 and #4 on reverse side)

Deponent, DONNA DETRICK, being duly sworn according to law upon his/her oath, deposes and says that he/she is the PRESIDENT in a deed dated JUNE 19, 2014 transferring real property identified as Block number 69 Lot number 16, 12, 13 AND 14 located at 248 E. WASHINGTON AVENUE, WASHINGTON BOROUGH and annexed thereto.

(2) CONSIDERATION \$ 108,000.00 (Instructions #1 and #5 on reverse side) [X] no prior mortgage to which property is subject.

(3) Property transferred is Class 4A 4B 4C (circle one). If property transferred is Class 4A, calculation in Section 3A below is required.

(3A) REQUIRED CALCULATION OF EQUALIZED VALUATION FOR ALL CLASS 4A (COMMERCIAL) PROPERTY TRANSACTIONS: (Instructions #5A and #7 on reverse side)

Total Assessed Valuation ÷ Director's Ratio = Equalized Assessed Valuation

\$ _____ ÷ _____ % = \$ _____

If Director's Ratio is less than 100%, the equalized valuation will be an amount greater than the assessed value. If Director's Ratio is equal to or in excess of 100%, the assessed value will be equal to the equalized valuation.

(4) FULL EXEMPTION FROM FEE (Instruction #8 on reverse side)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1968, as amended through C. 66, P.L. 2004, for the following reason(s). Mere reference to exemption symbol is insufficient. Explain in detail.

(5) PARTIAL EXEMPTION FROM FEE (Instruction #9 on reverse side)

NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption. Deponent claims that this deed transaction is exempt from State portions of the Basic, Supplemental, and General Purpose Fees, as applicable, imposed by C. 176, P.L. 1975, C. 113, P.L. 2004, and C. 66, P.L. 2004 for the following reason(s):

- A. SENIOR CITIZEN Grantor(s) [] 62 years of age or over.
B. BLIND PERSON Grantor(s) [] legally blind or;
DISABLED PERSON Grantor(s) [] permanently and totally disabled [] receiving disability payments [] not gainfully employed*
Senior citizens, blind persons, or disabled persons must also meet all of the following criteria:
[] Owned and occupied by grantor(s) at time of sale. [] Resident of State of New Jersey.
[] One or two-family residential premises. [] Owners as joint tenants must all qualify.

*IN CASE OF HUSBAND AND WIFE, PARTNERS IN A CIVIL UNION COUPLE, ONLY ONE GRANTOR NEED QUALIFY IF TENANTS BY THE ENTIRETY.

C. LOW AND MODERATE INCOME HOUSING (Instruction #9 on reverse side)

- [X] Affordable according to H.U.D. standards. [X] Reserved for occupancy.
[X] Meets income requirements of region. [X] Subject to resale controls.

(6) NEW CONSTRUCTION (Instructions #2, #10, #12 on reverse side)

- [] Entirely new improvement. [] Not previously occupied.
[] Not previously used for any purpose. [] "NEW CONSTRUCTION" printed clearly at top of first page of the deed.

(7) RELATED LEGAL ENTITIES TO LEGAL ENTITIES (Instructions #5, #12, #14 on reverse side)

- [] No prior mortgage assumed or to which property is subject at time of sale.
[] No contributions to capital by either grantor or grantee legal entity.
[] No stock or money exchanged by or between grantor or grantee legal entities.

(8) Deponent makes this Affidavit to induce county clerk or register of deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006.

Subscribed and sworn to before me this 19 day of JULY, 2014

Signature of Deponent Donna Detrick, President Warren County Habitat for Humanity Grantor Name

31 Belvidere Ave, Washington Deponent Address 31 Belvidere Ave., Washington Grantor Address at Time of Sale

XXX-XXX- 1 9 1 Last three digits in Grantor's Social Security Number Name/Company of Settlement Officer

Angelo J. Bolcato Attorney at Law State of New Jersey

FOR OFFICIAL USE ONLY
Instrument Number 2014-427506 County WARREN
Deed Number Book 2537 Page 345
Deed Dated 6/19/14 Date Recorded 7/1/14

County recording officers shall forward one copy of each RTF-1 form when Section 3A is completed to:

STATE OF NEW JERSEY
PO BOX 251
TRENTON, NJ 08695-0251
ATTENTION: REALTY TRANSFER FEE UNIT

Appendix J

Habitat for Humanity Documentation (Block 68 Lot 2)



WARREN COUNTY – STATE OF NEW JERSEY
PATRICIA J. KOLB – WARREN COUNTY CLERK
413 SECOND STREET, BELVIDERE, NJ 07823

COUNTY CLERK'S RECORDING PAGE

THIS PAGE IS PART OF THE DOCUMENT – DO NOT DETACH



Recording:

Recording Fee	37.00
Recording Fee Differ	23.00
Preservation Fee	40.00

Sub Total: 100.00

RECEIPT NO. : 2011291228

Clerk: HG
Instr #: 2011-377793
Book/Pg: 2395 / 185
Rec Date: 10/27/2011 09:53:01 AM
Doc Grp: D
Descrip: DEED
Num Pgs: 8

Low/Moderate Income Housing
Consideration Not In Excess of \$350,000
County Treasurer Collecti 106.00

Sub Total: 106.00

Total: 206.00

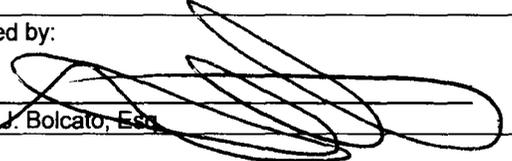
**** NOTICE: THIS IS NOT A BILL ****

Party1: WARREN COUNTY HABITAT FOR
HUMANITY
Party2: ALBERT CINDY
Town: WASHINGTON BORO

Consideration: 105800.00

Record and Return To:

STUART C OURS
BROSCIOUS FISHER & ZAITER
43-45 BROAD STREET
WASHINGTON NJ 07882

Prepared by:

Angela J. Bolcato, Esq.

NEW CONSTRUCTION DEED

Deed-Restricted Affordable Housing Unit with Restrictions on Resale and Refinancing

This Deed is made on October 13, 2011,

BETWEEN WARREN COUNTY HABITAT FOR HUMANITY, a nonprofit corporation of the State of New Jersey, whose address is, 31 Belvidere Avenue, Washington, NJ 07882, referred to as the Grantor,

AND CINDY ALBERT, whose address is about to be 12 Prosper Way, Washington Borough, New Jersey, 07882, referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and Grantees listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of One Hundred Five Thousand Eight Hundred Dollars and No Cents (\$105,800.00). The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Municipality of Borough of Washington, County of Warren, Block No. 68, Lot No. 2.

Property. The property (sometimes, the "Property") consists of the land and all the buildings and structures on the land in the County of Warren and State of New Jersey. The legal description is:

ALL THAT certain tract or parcel of land and premises situate, lying and being in the Borough of Washington, County of Warren and State of New Jersey, more particularly described as follows:

See attached portion of the Legal Description, Schedule A.

BEING the same land and premises acquired by Warren County Habitat for

RECORDED
Patricia J Kolb Warren Co Clerk
BELVIDERE, NJ

Bk: 2395 Pg: 185
10/27/2011 09:53:01 AM
Pages 8

Consideration \$105800.00
County \$106.00
Public \$0.00
State \$0.00
Extra \$0.00

Exempt Code:
General \$0.00
N.J.A.H.T.F. \$0.00
Total \$106.00

DEED

10/27/2011

Humanity, Inc., a non profit corporation of the State of New Jersey from Stanley Rak and Patricia Rak, husband and wife, by deed dated October 27, 2009 and recorded at the County Clerk's Office of Warren County on November 5, 2009 in Deed Book 2283, Page 213.

SUBJECT to easements, restrictions, covenants, reservations, agreements and matters of record, the provisions of zoning ordinances and other municipal ordinances, and such state of facts as an accurate survey and inspection of the premises would disclose.

Residential Use Only. The Property shall be used for residential purposes only.

Affordable Housing. In accordance with Grantor's policies and procedures, the Property is to be occupied for a term of thirty (30) years from the date of this Deed as an Affordable Housing Unit. Grantor may, but is not required to follow the Affordable Housing Requirements and Regulations known as the Uniform Housing Affordability Controls found in the New Jersey Administrative Code Title 5 Chapter 80 subchapter 26 "N.J.A.C. 580-26.1 et seq".

- (a) The Property may be conveyed only to a household who has been approved in advance and in writing by Grantor, its successors and/or assigns.
- (b) No sale or transfer of the Property shall take place unless approved in advance and in writing by Grantor and no sale shall be for consideration greater than the maximum amount as determined by Grantor.
- (c) No refinancing, equity loan, secured letter of credit, or any other mortgage or lien obligation or debt (collectively "Debt") secured by the Property, may be incurred except as approved in advance and in writing by Grantor.
- (d) The owner of the Property shall at all times maintain the Property as his or her principal place of residence.
- (e) A breach of the Affordable Housing Restrictions and Covenants will cause irreparable harm to the Grantor and as such in any event of a breach or threatened breach, the covenants by the Grantee or any successor in title, Grantor shall have all remedies as provided at law or equity, including the right to seek injunctive relief or specific performance.
- (f) Upon the occurrence of a breach of any covenants by the Grantee, or any successor in interest or other owner of the Property, Grantor shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, and specific performance.

Resale Restriction. The Property is expressly subject to the restrictions and conditions upon transfer, refinancing, sale, leasing and prepayment set forth in the purchase money note and mortgage ("Purchase Money Mortgage") to the Grantor from the Grantee dated this date as a condition to the Property being sold to Grantee on this date.

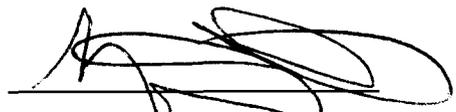
Leasing Restriction. Grantee shall not lease the property unless Grantor has consented in writing or the mortgage has been paid in full.

Grantee Will Not Discriminate. Grantee covenants not to discriminate upon the basis of race, color, religion, sex, national origin in the sale, lease, rental and/or of the use and occupancy of the property or any improvement made thereon or any part thereof.

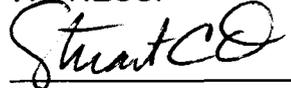
Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

This Deed is signed by the Grantor's corporate officers affixed on the date signed below.

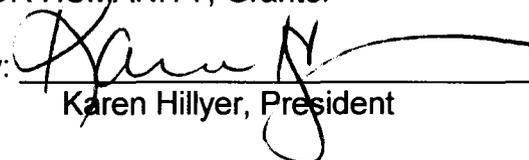
ATTEST:


Angelo J. Bdrate, Esq.

WITNESS:


Stuart C. O.

WARREN COUNTY HABITAT
FOR HUMANITY, Grantor

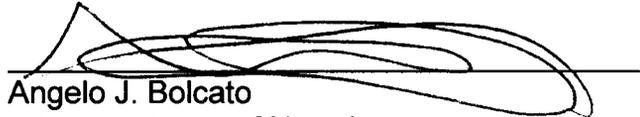
By: 
Karen Hillyer, President


Cindy Albert, Grantee

STATE OF NEW JERSEY, COUNTY OF WARREN - SS:

I CERTIFY as follows:

1. On October 13, 2011, Karen Hillyer personally appeared before me;
2. I was satisfied that this person is the person who executed this instrument as President of Warren County Habitat for Humanity, the corporation named in this instrument; and
3. This person stated that (s)he was authorized to execute the instrument on behalf of the corporation, and that (s)he executed the instrument as the act of such corporation.
4. The full and actual consideration paid or to be paid for the transfer of title is \$ 105,800.00. (Such consideration is defined in N.J.S.A. 46:15-5.)


Angelo J. Bolcato
Attorney at Law of New Jersey

STATE OF NEW JERSEY, COUNTY OF WARREN SS:

I CERTIFY that on October 13, 2011, Cindy Albert personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

- (a) is named in and personally signed this document; and,
- (b) signed, sealed and delivered this document as his or her act and deed.


Stuart Ours
Attorney-at-Law of the State of New Jersey

Record and Return to:

Stuart Ours, Esq.
Broscious Fisher & Zaiter
43-45 Broad St
Washington, NJ 07882 *160-*

KGG
N:\USERS\Clients\6508-9 WCHFH - Albert\documents\deed.doc
10/13/11

METES AND BOUNDS DESCRIPTION OF
LOT 2 IN BLOCK 68
PROSPER WAY
WASHINGTON BOROUGH, WARREN COUNTY, NEW JERSEY
FOR INFORMATION ONLY

Beginning at a Point marked by an Iron Pipe Found in the easterly sideline of Prosper Way (70' wide right of way), said Point being located the following 3 courses from a concrete monument found at the intersection of the easterly sideline of Adams Place with the southerly sideline of Van Buren Street:

- a) South 3 degrees 45 minutes East, a distance of 200.00 feet; thence
- b) North 86 degrees 15 minutes East, a distance of 940.00 feet to the point of intersection of the said easterly sideline of Prosper Way with the northerly sideline of Harrison Street, said point of intersection being located South 86 degrees 15 minutes West, a distance of 200.60 feet from a concrete monument found at the intersection of the said northerly sideline of Harrison Street with the westerly sideline of McKinley Avenue; thence
- c) Along the said easterly sideline of Prosper Way, South 3 degrees 45 minutes East, a distance of 130.00 feet to the aforesaid Point of Beginning, and running thence:
 - 1) Along the said easterly sideline of Prosper Way, South 3 degrees 45 minutes East, a distance of 100.00 feet to a Crosscut made in the top of an existing concrete curb; thence
 - 2) Along the northerly sideline of Jefferson Avenue (30' wide right of way), North 86 degrees 15 minutes East, a distance of 205.00 feet to a Rebar set; thence
 - 3) Along the westerly sideline of McKinley Avenue (30' wide right of way), North 3 degrees 45 minutes West, a distance of 100.00 feet to a Rebar set; thence
 - 4) Along the lands of Josephine Tropp, South 86 degrees 15 minutes West, a distance of 205.00 feet to the Point and Place of Beginning.

The above described premises being shown as Lots 5, 6, 7 and 8 in Block R of a Map entitled "Plan of Gibson Park, Washington, New Jersey", dated July 1920 and filed at the Warren County Clerk's Office on June 16, 1953.

The above described premises being shown as Lot 2 in Block 68 on the Tax Map of Washington Borough, Warren County, New Jersey.

The above description is in accordance with a survey performed by Vernon P. Lawson, Jr., PLS, on September 16, 2009.

Vernon P. Lawson, Jr.
Vernon P. Lawson, Jr., PLS
New Jersey Land Surveyor No. 34864



State of New Jersey
SELLER'S RESIDENCY CERTIFICATION/EXEMPTION
(C.55, P.L. 2004)

(Please Print or Type)

SELLER(S) INFORMATION (See Instructions, Page 2)

Name(s)

Warren County Habitat for Humanity

Current Resident Address:

Street: 39 Belvidere Avenue, Suite 1C

City, Town, Post Office

Washington

State

NJ

Zip Code

07882

PROPERTY INFORMATION (Brief Property Description)

Block(s)

68

Lot(s)

2

Qualifier

Street Address:

12 Prosper Way

City, Town, Post Office

Washington Borough

State

NJ

Zip Code

07882

Seller's Percentage of Ownership

100%

Consideration

\$105,800

Closing Date

October 13, 2011

SELLER ASSURANCES (Check the Appropriate Box) (Boxes 2 through 8 apply to Residents and Non-residents)

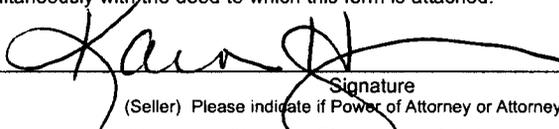
1. I am a resident taxpayer (individual, estate, or trust) of the State of New Jersey pursuant to N.J.S.A. 54A:1-1 et seq. and will file a resident gross income tax return and pay any applicable taxes on any gain or income from the disposition of this property.
2. The real property being sold or transferred is used exclusively as my principal residence within the meaning of section 121 of the federal Internal Revenue Code of 1986, 26 U.S.C. s. 121.
3. I am a mortgagor conveying the mortgaged property to a mortgagee in foreclosure or in a transfer in lieu of foreclosure with no additional consideration.
4. Seller, transferor or transferee is an agency or authority of the United States of America, an agency or authority of the State of New Jersey, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.
5. Seller is not an individual, estate or trust and as such not required to make an estimated payment pursuant to N.J.S.A.54A:1-1 et seq.
6. The total consideration for the property is \$1,000 or less and as such, the seller is not required to make an estimated payment pursuant to N.J.S.A. 54A:5-1-1 et seq.
7. The gain from the sale will not be recognized for Federal income tax purposes under I.R.C. Section 721, 1031, 1033 or is a cemetery plot. (CIRCLE THE APPLICABLE SECTION). If such section does not ultimately apply to this transaction, the seller acknowledges the obligation to file a New Jersey income tax return for the year of the sale (see instructions).
 No non-like kind property received.
8. Transfer by an executor or administrator of a decedent to a devisee or heir to effect distribution of the decedent's estate in accordance with the provisions of the decedent's will or the intestate laws of this state.

SELLER(S) DECLARATION

The undersigned understands that this declaration and its contents may be disclosed or provided to the New Jersey Division of Taxation and that any false statement contained herein could be punished by fine, imprisonment, or both. I furthermore declare that I have examined this declaration and, to the best of my knowledge and belief, it is true, correct and complete. By checking this box I certify that the Power of Attorney to represent the seller(s) has been previously recorded or is being recorded simultaneously with the deed to which this form is attached.

October 13, 2011

Date



Signature

(Seller) Please indicate if Power of Attorney or Attorney in Fact

Karen Hillyer, President, Warren County Habitat
for Humanity

Signature

(Seller) Please indicate if Power of Attorney or Attorney in Fact

STATE OF NEW JERSEY
AFFIDAVIT OF CONSIDERATION FOR USE BY SELLER

(Chapter 49, P.L.1968, as amended through Chapter 33, P.L. 2006) (N.J.S.A. 46:15-5 et seq.)

BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY

COUNTY WARREN } SS. County Municipal Code 2121

MUNICIPALITY OF PROPERTY LOCATION Washington Borough

FOR RECORDER'S USE ONLY	
Consideration	\$ <u>105,800</u>
RTF paid by seller	\$ <u>106-</u>
Date	<u>10/27/11</u> By <u>NS</u>

*Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE (See Instructions #3 and #4 on reverse side)

Deponent, Karen Hillyer, being duly sworn according to law upon his/her oath, deposes and says that he/she is the President in a deed dated October 13, 2011 transferring (Grantor, Legal Representative, Corporate Officer, Officer of Title Company, Lending Institution, etc.) real property identified as Block number 68 Lot number 2 located at 12 Prosper Way, Washington Borough and annexed thereto. (Street Address, Town)

(2) CONSIDERATION \$ 105,800.00 (See Instructions #1 and #5 on reverse side)

(3) Property transferred is Class 4A 4B 4C (circle one). If property transferred is Class 4A, calculation in Section 3A below is required.

(3A) REQUIRED CALCULATION OF EQUALIZED VALUATION FOR ALL CLASS 4A COMMERCIAL PROPERTY TRANSACTIONS: (See Instructions #5A and #7 on reverse side)

Total Assessed Valuation + Director's Ratio = Equalized Assessed Valuation

\$ _____ + _____ % = \$ _____

If Director's Ratio is less than 100%, the equalized valuation will be an amount greater than the assessed value. If Director's Ratio is equal to or in excess of 100%, the assessed value will be equal to the equalized valuation.

(4) FULL EXEMPTION FROM FEE (See Instruction #8 on reverse side)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1968, as amended through C. 66, P.L. 2004, for the following reason(s). Mere reference to exemption symbol is insufficient. Explain in detail.

(5) PARTIAL EXEMPTION FROM FEE (See Instruction #9 on reverse side)

NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption. Deponent claims that this deed transaction is exempt from State portions of the Basic Fee, Supplemental Fee, and General Purpose Fee, as applicable, imposed by C. 176, P.L. 1975, C. 113, P.L. 2004, and C. 66, P.L. 2004 for the following reason(s):

- A. SENIOR CITIZEN Grantor(s) 62 years of age or over. * (See Instruction #9 on reverse side for A or B)
- B. { BLIND PERSON Grantor(s) legally blind or; *
- DISABLED PERSON Grantor(s) permanently and totally disabled Receiving disability payments Not gainfully employed*

Senior citizens, blind persons, or disabled persons must also meet all of the following criteria:

- Owned and occupied by grantor(s) at time of sale. Resident of State of New Jersey.
- One or two-family residential premises. Owners as joint tenants must all qualify.

*IN THE CASE OF HUSBAND AND WIFE, PARTNERS IN A CIVIL UNION COUPLE, ONLY ONE GRANTOR NEEDS TO QUALIFY IF TENANTS BY THE ENTIRETY.

C. LOW AND MODERATE INCOME HOUSING (See Instruction #9 on reverse side)

- Affordable according to H.U.D. standards. Reserved for occupancy.
- Meets income requirements of region. Subject to resale controls.

(6) NEW CONSTRUCTION (See Instructions #2, #10 and #12 on reverse side)

- Entirely new improvement. Not previously occupied.
- Not previously used for any purpose. "NEW CONSTRUCTION" printed clearly at the top of the first page of the deed.

(7) Deponent makes this Affidavit to induce county clerk or register of deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006.

Subscribed and sworn to before me this 13th day of October, 2011

[Signature] Warren County Habitat for Humana
 Signature of Deponent 39 Belvidere Ave, Washington, NJ
 c/o Warren County Habitat Grantor Address
 Deponent Address
 Grantor Address at Time of Sale
 xxx-xxx-688 Laddey, Clark & Ryan, LLP
 Last 3 digits in Grantor's Social Security Number Name/Company of Settlement Officer

[Signature]
 Angelo J. Bulcic, Esq.
 Attorney at Law, NJ

FOR OFFICIAL USE ONLY	
Instrument Number	<u>2011-372293</u> County <u>Warren</u>
Deed Number	Book <u>2395</u> Page <u>185</u>
Deed Dated	<u>10/13/11</u> Date Recorded <u>10/27/11</u>

County Recording Officers shall forward one copy of each Affidavit of Consideration for Use by Seller when Section 3A is completed.

STATE OF NEW JERSEY - DIVISION OF TAXATION
PO BOX 251
TRENTON, NJ 08695-0251
ATTENTION: REALTY TRANSFER FEE UNIT

The Director of the Division of Taxation in the Department of the Treasury has prescribed this form as required by law, and may not be altered or amended without prior approval of the Director. For information on the Realty Transfer Fee or to print a copy of this Affidavit, visit the Division of Taxation website at: www.state.nj.us/treasury/taxation/lpt/localtax.shtml.

Appendix K

Concept Plan included with Washington Ventures Settlement
Agreement

Project Name: Shabbecong Mountain Preserve / Backer Tract
 Location: 55 Nunn Avenue, Washington Borough, Warren County, New Jersey Highlands Planning Area
 Current Owner: Washington Station Ventures LP
 Total Acreage of Site: 125.95 acres
 Dimensions of Each Lot: see tax map
 Existing Improvements: None

Fee Simple Acquisition Area:
 Approx. 80 total acres
 Approx. 20.3 acres of wetlands :
 Approx. 7.7 acres of wetland buffer

Proposed Development Area:
 Approx. 35 acres
 Approx. 1 acre of wetlands
 Approx. 1 acre of wetland buffer

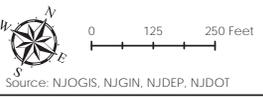
Proposed Cemetery Area:
 Approx. 10 acres

Proposed Cell Tower:
 Approx. 10,000 sq. ft.

- Extent of the Baker Tract
- Parcels
- Wetlands 50 ft. buffer
- Wetlands (from LOI)
- Fee Simple Acquisition Area (approx. 80 total acres)
- Proposed Development (approx. 35 acres)
- Proposed Cemetery (approx. 10 acres)
- X Cell Tower (approx. 10,000 sq. ft.)

Note: There appears to be no waterbodies (ie. streams/rivers), tidelands, floodplains, or coastal wetlands on the site.

 Freshwater wetlands are based off an LOI prepared by ARH Engineering.



**Concept Plan for Proposed Subdivision
 Shabbecong Mountain Preserve/Baker Tract Fee-Simple Acquisition
 Washington Borough Open Space Acquisition**

RESOLUTION OF ADOPTION

**BOROUGH OF WASHINGTON
LAND USE BOARD**

**FINDINGS OF FACT AND CONCLUSIONS OF LAW
REGARDING THE ADOPTION OF A DOCUMENT ENTITLED
"HOUSING ELEMENT AND FAIR SHARE PLAN, WASHINGTON BOROUGH,
WARREN COUNTY, NEW JERSEY, JUNE 2019" AND AMENDING THE MASTER
PLAN FOR THE BOROUGH OF WASHINGTON, COUNTY OF WARREN, STATE OF
NEW JERSEY**

WHEREAS, N.J.S.A. 40:55D-28 permits municipalities to, after a public hearing, amend a master plan or component thereof, to guide the use of lands within the municipality in a manner which protects public health and safety and promotes the general welfare; and

WHEREAS, on or about July 1, 2015, the Council of the Borough of Washington (the "Council") filed a Complaint (Docket No. WRN-L-230-15) in the Law Division of the Superior Court of New Jersey, Warren County (the "Court") seeking a declaration of its compliance with the Mount Laurel Doctrine and Fair Housing Act of 1987, N.J.S.A. 53:27D-301, et seq., in accordance with In re: N.J.A.C. 5:96 and 5:97, 221 N.J. 30 (2015); and

WHEREAS, on December 10, 2018, a Settlement Agreement ("Settlement Agreement") was signed by the Mayor and Fair Share Housing Center ("FSHC") which, (1) settled litigation between the Borough and FSHC; and (2) established the Borough's "fair share" of the regional need for very low, low-, and moderate-income housing; and (3) delineated the actions that must be taken for the Borough to satisfy its fair share; and

WHEREAS, in December 2018, a Settlement Agreement ("Washington Ventures Agreement") was signed by the Mayor and Washington Station Venture, LP and Washington Venture Investment, Ltd ("Washington Venture Entities") which settled litigation with Washington Ventures Entities; and

WHEREAS, on December 20, 2018, a Fairness Hearing took place, and on January 23, 2019 an Order was entered by the Court approving the proposed settlements; and

WHEREAS, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, on July 8, 2019, the Land Use Board of the Borough of Washington held a public hearing to consider adoption of the amended Housing Element and Fair Share Plan to implement the settlement agreements; and

WHEREAS, the Land Use Board of the Borough of Washington reviewed and considered the extensive report, dated June 2019, prepared by the Borough's Consulting Professional Planners, Heyer, Gruel & Associates and entitled "HOUSING ELEMENT AND FAIR SHARE PLAN, WASHINGTON BOROUGH, WARREN COUNTY, NEW JERSEY, JUNE 2019" and otherwise entered said report into evidence and heard the testimony of Elena Gable, PP, AICP, CFM relative to the contents and conclusions set forth in that report; and

WHEREAS, upon the conclusion of the public hearing, the Board determined that the "HOUSING ELEMENT AND FAIR SHARE PLAN, WASHINGTON BOROUGH, WARREN COUNTY, NEW JERSEY, JUNE 2019" is consistent with the goals and objectives of the Borough Master Plan, will guide the use of lands in the municipality in a manner which protects public health and safety and promotes the general welfare in accordance with N.J.S.A. 40:55D-28, and is designed to achieve and the adoption and implementation of the "HOUSING ELEMENT AND FAIR SHARE PLAN, WASHINGTON BOROUGH, WARREN COUNTY, NEW JERSEY, JUNE 2019" will achieve access to affordable housing to meet present and prospective housing needs in accordance with N.J.S.A. 52:27D-310;

NOW THEREFORE BE IT RESOLVED, by motion duly made and seconded, that the Borough of Washington Land Use Board hereby adopts the "HOUSING ELEMENT AND FAIR SHARE PLAN, WASHINGTON BOROUGH, WARREN COUNTY, NEW JERSEY, JUNE 2019" as an amendment to the Borough's Master Plan.

I certify that this is a true copy of a resolution adopted by the Land Use Board of the Borough of Washington, Warren County, on June 8, 2019, to memorialize the Land Use Board's action on July 8, 2019.



Patricia Titus

Land Use Board Secretary

Dated: July 8, 2019